THE BUDGET

OF THE

UNITED STATES GOVERNMENT

FOR THE FISCAL YEAR
ENDING JUNE 30

1960



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 1960 contains the President's recommendations for the work program and financial program of the Government for the 12 months beginning July 1, 1959, and ending June 30, 1960. It also presents comparable information for the fiscal years 1958 (actual) and 1959 (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 M78), 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 876) 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. 877 through 925) contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds.

Part IV (pp. 927 through 1014) 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 878—Operation of trust and deposit funds covered by part III.

Page 928—Coverage of the special analyses printed in part IV.

Detail Will Not Necessarily Add to Totals, Because of Rounding.

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RÉSUMÉ OF THE BUDGET

[Fiscal years. In billions]

	1953 actual	1954 actual	1955 actual	1956 actual	1957 actual	1958 actual	1959 estimate	1960 estimate
New obligational authority	$80.3	$62.8	$57.1	$63.2	$70.2	$76.3	[1] $82.4	[1] $76.8
Budget receipts	64.8	64.7	60.4	68.2	71.0	69.1	68.0	[1] 77.1
Budget expenditures	74.3	67.8	64.6	66.5	69.4	71.9	[1] 80.9	[1] 77.0
Budget surplus (+) or deficit (−)	−9.4	−3.1	−4.2	+1.6	+1.6	−2.8	−12.9	+0.1
Receipts from the public	71.5	71.6	67.8	77.1	82.1	81.9	81.7	93.5
Payments to the public	76.8	71.9	70.5	72.6	80.0	83.4	94.9	92.9
Excess of receipts (+) or payments (−)	−5.3	−0.2	−2.7	+4.5	+2.1	−1.5	−13.2	+0.6
Public debt at close of year	266.1	271.3	274.4	272.8	270.5	276.3	285.0	285.0
Balance of appropriations carried forward at end of year	78.4	67.8	52.1	46.0	43.9	40.4	40.4	41.5

[1] Includes amounts for proposed legislation.

NOTE.—Detail in this and subsequent tables may not add to the 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 situation we face today as a Nation differs significantly from that of a year ago. We are now entering a period of national prosperity and high employment. This is a time for the Government to conduct itself so as best to help the Nation move forward strongly and confidently in economic and social progress at home, while fulfilling our responsibilities abroad. The budget of the United States for the fiscal year 1960, transmitted herewith, will effectively and responsibly carry out the Government's role in dealing with the problems and the opportunities of the period ahead.

This budget proposes to increase our military effectiveness, to enhance domestic well-being, to help friendly nations to foster their development, to preserve fiscal soundness, and to encourage economic growth and stability, not only in the fiscal year 1960 but in the years beyond. And it clearly shows that these things can be done within our income.

We cannot, of course, undertake to satisfy all proposals for Government spending. But as we choose which ones the Government should accept, we must always remember that freedom and the long-run strength of our economy are prerequisite to attainment of our national goals. Otherwise, we cannot, for long, meet the imperatives of individual freedom, national security, and the many other necessary responsibilities of Government. In short, this budget fits the conditions of today because:

1. ***It is a balanced budget.***—My recommendations call for an approximate equality between revenues and expenditures, with a small surplus.

2. ***It is a responsible budget.***—By avoiding a deficit, it will help prevent further increases in the cost of living and the hidden and unfair tax that inflation imposes on personal savings and incomes.

3. ***It is a confident budget.***—It anticipates, in a rapidly advancing economy, increases in revenues without new general taxes, and counts upon the unity and good judgment of the American people in supporting a level of government activity which such revenues will make possible.

4. ***It is a positive budget.***—It responds to national needs, with due regard to urgencies and priorities, without being either extravagant or unduly limiting.

5. ***It is an attainable budget.***—Its proposals are realistic and can be achieved with the cooperation of the Congress.

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Any budget is a financial plan. The budget for the Government is proposed by the President, but it is acted upon by the Congress which has the duty under the Constitution to authorize and appropriate for expenditures. Therefore, responsibility for the Government's finances is a shared one. Achievement of the plan set forth in this budget from here on depends upon congressional response, popular support, and developments in our economy and in the world.

FUTURE BUDGET OUTLOOK

The actions we take now on the 1960 budget will affect the fiscal outlook for many years to come. This budget was prepared in the light of the following general prospects for Government finances for the next few years.

Growth of revenues.—Our Nation's population and labor force will continue to increase. The output per hour of work on our farms and in our factories can also be expected to grow as it has in the past. With sustained economic expansion, with employment of our people and resources at high levels, and with continued technological advance, the value of total national production and income will be substantially larger in the future than it is today.

Economic growth generates higher personal incomes and business profits. Under our graduated income tax system, with present tax rates, budget receipts should grow even faster than national income, although the rise in receipts certainly will not be uniform from year to year. Also, some tax reforms and downward tax adjustments will be essential in future years to help maintain and strengthen the incentives for continued economic growth. With a balance in our finances in 1960, we can look forward to tax reduction in the reasonably foreseeable future. In the long run, taxes should be so arranged that in periods of prosperity some annual provision is made for debt reduction, even though at a modest rate.

Control of expenditures.—The estimated 1960 expenditures, while $3.9 billion less than in 1959, will still be $12.4 billion higher than in 1955, an average increase of almost $2.5 billion a year. These figures emphasize that if we are to succeed in keeping total expenditures under control in the coming years we must recognize certain hard facts.

First, defense spending will remain extremely large as long as we must maintain military readiness in an era of world trouble and unrest. Until there is a significant and secure easing of world tensions, the actions by the Department of Defense to realign forces, close unneeded

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installations, and cut back outmoded weapons will achieve only relatively small expenditure reductions. Keeping our military structure capable and ready to meet any threat means that we must continue to strengthen our defenses. It is but a reflection of the world in which we live to stress again the fact that modern weapons are complex and costly to develop, costly to procure, and costly to operate and maintain.

In the 1960 Budget:

I. A Balanced Budget

Receipts....	$77.1 billion
Expenditures.	77.0 billion
Surplus.	0.1 billion
New authority to incur obligations.	$76.8 billion

Second, without one single new action by the Congress to authorize additional projects or programs, Government outlays for some of our major activities are certain to keep on rising for several years after 1960 because of commitments made in the past. For example, commitments for urban renewal capital grants have exceeded net expenditures by about $200 million or more for each of the last 3 years. Money to meet these commitments will be paid out in the years immediately ahead. Similarly, continued construction of the many water resources projects underway throughout the country will raise expenditures for these programs in the next 2 years beyond the current record amount.

Moreover, inescapable demands resulting from new technology and the growth of our Nation, and new requirements resulting from the changing nature of our society, will generate Federal expenditures in future years. As a matter of national policy we must, for example, make our airways measure up to the operational and safety needs of the jet age. We must not forget that a rapidly growing population creates virtually automatic increases in many Federal responsibilities.

Fiscal soundness and progress.—Both domestic and defense needs require that we keep our financial house in order. This means that we must adhere to two policies:

First, we must review all government activities as a part of the continuing budgetary process from year to year. Changing circumstances will inevitably offer opportunities for economies in a variety of existing Federal programs. If we do not make such reviews and act forthrightly on their findings, the combination of old commitments and new authorizations for new or enlarged Federal responsibilities could swell expenditures unnecessarily and inconsistently. Consonant with this policy of review, reductions have been recommended

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in this budget for 1960 appropriations which will affect expenditures not only in that year but also in later years. Furthermore, this budget contains proposals to modify certain activities and institute certain charges for special services. These recommendations are practicable and sound. They should be enacted.

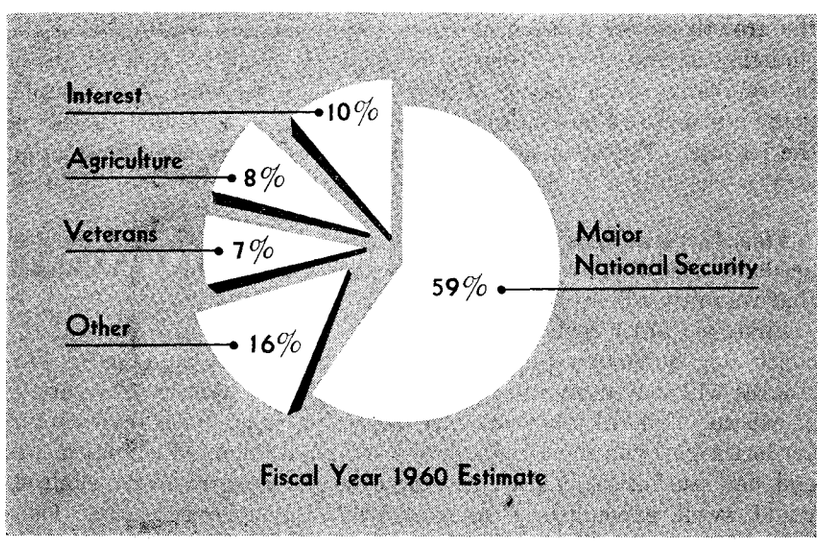
Second, we must examine new programs and proposals with a critical eye. Desirability alone is not a sound criterion for adding to Federal responsibilities. The impact today and tomorrow on the entire Nation must be carefully assessed.

Our economy will continue to grow vigorously. This growth will produce additional Federal revenues, but it will not produce them without limit. We cannot take our resources for granted and we cannot spend them indiscriminately. We must deal with new conditions as they arise. We must choose what the Federal Government will do and how it will do it. If the choice is responsibly made, reductions obtained through economies and the rising revenues accompanying economic growth will produce surpluses which can be used to lessen the burden of taxes, meet the cost of essential new Government services, and reduce the public debt. The proposals in this budget have been formulated with these long-run objectives in mind.

BUDGET TOTALS

Budget expenditures are proposed to be held to $77 billion in fiscal 1960, which is $3.9 billion less than the estimated 1959 level of $80.9 billion.

PURPOSE OF BUDGET EXPENDITURES



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With continued vigorous economic recovery, and with the relatively few new tax adjustments proposed herein, budget receipts in fiscal 1960 are expected to reach a total of $77.1 billion, an increase of $9.1 billion over fiscal 1959.

Thus a very modest surplus of about $0.1 billion is estimated for 1960, compared with a recession-induced deficit of $12.9 billion in the current fiscal year. This estimated balance assumes enactment of recommendations for extending present excises and corporation income taxes scheduled for reduction under existing law, for some new tax legislation to remove inequities and loopholes, for increased charges for special services, and for reductions in some current programs. It also assumes that certain programs can be made self-financing by stepping up the sale of portfolio assets.

In the 1960 Budget:

II. General Recommendations

1. Strengthen the effectiveness of our Armed Forces by further modernization and by improved efficiency of operations; and strengthen free world security by continued military assistance to our allies.

2. Assist free nations in their economic development through well-considered programs.

3. Promote scientific research and space exploration.

4. Carry forward current public works programs—now larger than ever before.

5. Continue at a high level programs which promote the general welfare of our people.

6. Foster community development with increased local participation.

7. Discontinue temporary emergency measures and strengthen permanent programs for economic stability.

8. Continue the adjustments needed for a freer agricultural economy with less reliance on the Federal Treasury.

9. Reduce the burden on the general public for services to special groups.

10. Encourage private lending through flexible interest rates for Government credit programs.

11. Achieve long-run economies by adapting programs to changed circumstances.

Financing of the $12.9 billion budget deficit for the current fiscal year will increase the public debt to $285 billion by June 30, 1959, $2 billion in excess of the present permanent debt limit. With a balanced budget in 1960, a $285 billion debt is indicated also for June 30, 1960. On the basis of these estimates, it will be necessary to renew the request made during the past session of Congress for a permanent debt ceiling of $285 billion and, further, to seek an increase in the temporary debt ceiling sufficient to cover heavy borrowing requirements during the first half of the fiscal year 1960, borrowings which would be repaid before June 30, 1960.

The new authority to incur obligations recommended for fiscal 1960 is $76.8 billion, which is slightly less than the estimates for expenditures and for receipts. Further reductions in new obligational authority can be attained in 1961 by the Congress enacting my recommendations for program modifications.

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BUDGET TOTALS

[Fiscal years. In billions]

	1957 actual	1958 actual	1959 estimate	1960 estimate
Budget receipts	$71.0	$69.1	$68.0	$77.1
Budget expenditures	69.4	71.9	80.9	77.0
Budget surplus (+) or deficit (−)	+1.6	−2.8	−12.9	+0.1
New obligational authority	70.2	76.3	[1] 82.4	76.8

[1] Includes $8.7 billion of anticipated supplemental requests.

A consolidation of budget and trust fund transactions on a cash basis shows that the total Federal receipts from the public in fiscal 1960 are expected to exceed payments to the public by $0.6 billion. This figure exceeds the budget surplus in 1960 mainly because (1) cash payments of interest on redeemed savings bonds are less than the accrued interest included in budget expenditures and (2) trust fund receipts exceed trust fund expenditures.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

(See special analysis A in part IV of this document)

[Fiscal years. In billions]

	1957 actual	1958 actual	1959 estimate	1960 estimate
Receipts from the public	$82.1	$81.9	$81.7	$93.5
Payments to the public	80.0	83.4	94.9	92.9
Excess of receipts over payments	2.1	----	----	0.6
Excess of payments over receipts	----	1.5	13.2	----

BUDGET RECEIPTS

Extension of present tax rates.—The budget outlook for 1960 makes it essential to extend present tax rates on corporation profits and certain excise taxes another year beyond their present expiration date of June 30, 1959.

Development of a more equitable tax system.—Considerable progress was made last year in removing unintended benefits and hardships from the tax laws. Continued attention is necessary in

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this area. As the budget permits, additional reforms should be undertaken to increase the fairness of the tax system, to reduce the tax restraints on incentives to work and invest, and wherever feasible to simplify the laws. I hope that the committees of the Congress will work with the Treasury Department in preparing further adjustments of our tax laws for the future.

I urge the Congress to take action now on certain specific changes to maintain or increase revenues and to make the laws more equitable. The Treasury Department has recently proposed an equitable plan for taxing the income of life insurance companies. Specific proposals for corrective amendments of the laws on taxation of cooperatives will be transmitted to the Congress shortly. The Treasury will also recommend an amendment specifying the treatment processes which shall be considered mining for the purpose of computing percentage depletion in the case of mineral products. This amendment, prompted by court decisions, is designed to prevent an unintended extension of percentage depletion allowances to the sales price of finished products; a similar recommendation with respect to cement and clay products was made to the Congress last year.

In the 1960 Budget:

III. New Receipts Proposals

Highway trust fund:

1. Raise motor fuel tax to 4½ cents per gallon.

Postal fund:

2. Revise rates to bring in an additional $350 million in fiscal 1960.

Special and technical income tax adjustments:

3. Enact equitable plan for taxing income of life insurance companies.
4. Revise rules for computing percentage depletion allowances to insure that they are limited to mining processes.
5. Enact corrective legislation relating to taxation of cooperatives.

Other receipts:

6. Raise aviation gasoline tax to 4½ cents per gallon and levy new 4½-cent tax on jet fuels.
7. Adjust other fees and charges so that persons receiving special services will more nearly pay the cost of those services.

Other changes in tax rates.—In order to make highway-related taxes support our vast highway expenditures, excises on motor fuels need to be increased 1½ cents a gallon to 4½ cents. These receipts will go into the highway trust fund and preserve the pay-as-we-go principle, so that contributions from general tax funds to build Federal-aid highways will not be necessary.

At the same time, to help defray the rising costs of operating the Federal airways, receipts from excises on aviation gasoline should be retained in general budget receipts rather than transferred to the highway trust fund. The estimates of budget and trust fund receipts

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from excise taxes reflect such proposed action. They also include a proposal to have users of the Federal airways pay a greater share of costs through increased rates on aviation gasoline and a new tax on jet fuels. These taxes, like the highway gasoline tax, should be 4½ cents per gallon. I believe it fair and sound that such taxes be reflected in the rates of transportation paid by the passengers and shippers.

BUDGET RECEIPTS

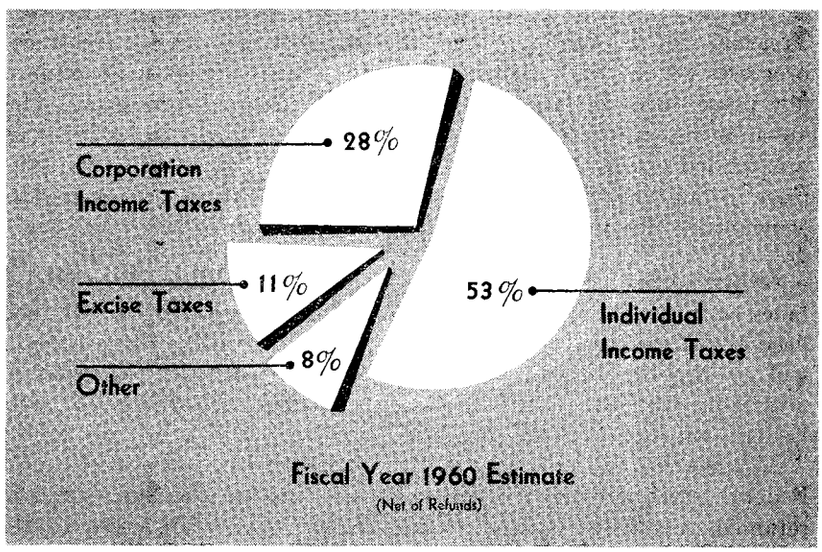
(See special analysis B in part IV of this document)

[Fiscal years. In billions]

	1958 actual	1959 estimate	1960 estimate
Individual income taxes	$34.7	$36.9	$40.7
Corporation income taxes	20.1	17.0	21.5
Excise taxes	8.6	8.5	8.9
All other receipts	5.7	5.6	6.0
Total	69.1	68.0	77.1

As part of my proposals referred to later in this message to return responsibility for certain Federal programs to the States—in this instance, responsibility for vocational education and for waste treatment facilities—Federal excise taxes on local telephone service should

SOURCES OF BUDGET RECEIPTS



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be revised effective July 1, 1960, to allow limited credits for telephone taxes paid to the States.

Revenues.—The resurgence of our economy has been stronger than was assumed in the budget estimates that were published last September. Consequently, budget receipts for the fiscal year 1959 are now expected to total $68 billion instead of the $67 billion estimated at that time.

The estimate of $77.1 billion in receipts for 1960 is contingent on enactment of the tax recommendations mentioned earlier. Of this estimate, approximately $76.5 billion reflects the increases in receipts under present tax rates and present tax sources while $0.6 billion is from new taxes and increased nontax sources.

The anticipated rate of recovery of revenues in fiscal 1960 may be compared with the experience of the fiscal years 1955 and 1956, which reflect the recovery from the recession of the calendar year 1954. After adjusting for comparability in corporate tax payment dates, the increase in revenues from 1955 to 1956 was more than the increase estimated in this budget. With similar forces of economic recovery at work today, I have confidence that our revenue estimate is sound and will be attained.

In the 1960 Budget:

IV. Highlights of Legislative Program

Authorize:

1. A transitional 4-year program of grants for construction of civil airport facilities.
2. Loans and grants to aid areas of chronic unemployment.
3. A 6-year program of urban renewal capital grants.
4. Revenue bond financing for TVA generating facilities.
5. Statehood for Hawaii and home rule for the District of Columbia.
6. Item veto for legislation authorizing expenditures and for appropriation bills.
7. Revisions in the agricultural price support program.
8. Widening coverage of unemployment compensation.

Continue:

9. Military draft, reserve forces, and related legislation.
10. Mutual security program with strengthened investment guaranties.
11. Agricultural Trade Development and Assistance Act.
12. Current tax rates for corporation income taxes and excise taxes which are scheduled for reduction under existing law.

Strengthen and improve:

13. Housing mortgage insurance programs.
14. Minimum wage and 8-hour laws.
15. Statutory protection in labor-management relations.
16. Requirements for conduct of labor union affairs, including welfare and benefit plan reporting.

Repeal:

17. Limitations on minimum strength of military reserve forces and on disposal of unneeded military real estate.

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MAJOR PROGRAM RECOMMENDATIONS

Eleven key features of the budget recommendations are summarized below:

1. ***Strengthen the effectiveness of our Armed Forces by further modernization and by improved efficiency of operations; and strengthen free world security by continued military assistance to our allies.***—This budget assures that essential defense needs are met. The budget recommendations will bolster the defense of our country against possible attack and enable our forces to respond more quickly and vigorously to any emergency. At the same time, and as part of our effort to keep America strong, this budget reflects policies to streamline operations, to remove duplication of weapons, to accentuate the principle and practice of unification, and to minimize maintenance costs—in short, to assure the maximum defense from each dollar expended. A realignment of the Armed Forces and a continuing reappraisal of existing defense activities are underway to accomplish these objectives. This can be illustrated by the changes in the composition of expenditures for the Department of Defense. While the estimated total expenditures for the Department will increase $145 million from 1959 to 1960, those for procurement of missiles and for research, development, test, and evaluation will rise more than $800 million.

In addition to strengthening our own Armed Forces, and recognizing the inseparability of free world defense, the budget continues to provide through military assistance the critical margin of weapons and equipment required by our allies who, with us, forge a strong shield against possible aggressors.

2. ***Assist free nations in their economic development through well-considered programs.***—Today the less-developed nations—a score of which have attained independence since World War II—are struggling to improve their economic and social conditions. The success of these efforts is vital not only to the freedom and well-being of the millions of people within their boundaries but also to the population of the entire world. Fortunately, the free countries of the world are taking many actions together to promote trade with and to expand investment in such nations. As part of this joint effort, the following actions for the United States are recommended:

(*a*) Increase substantially our subscriptions to the International Bank for Reconstruction and Development and the International Monetary Fund. This should be done promptly.

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(*b*) Bring the capitalization of our Development Loan Fund up to the amount originally recommended for the fiscal year 1959 by enacting a supplemental amount of $225 million.

(*c*) As a supplement to established institutions, create a joint development banking institution with our Latin American neighbors.

(*d*) Increase the emphasis on economic development in the mutual security programs through such measures as the appropriation of $700 million for the Development Loan Fund and $211 million for technical cooperation in fiscal 1960.

(*e*) Enact legislation to expand the mutual security investment guaranty program.

In the 1960 Budget:

V. Legislative Proposals to Adapt Programs to Changed Circumstances

Encourage more private financing for credit programs through flexible interest rates and other changes:

1. Veterans housing loans.
2. Rental, military, and cooperative housing mortgages.
3. Rural electrification and telephone loans.
4. College housing loans.
5. Maritime mortgages.

Authorize sale of property:

6. Surplus military and other real property.
7. Alaska communications system and related facilities.

Review and revise operating and benefit standards:

8. Foreign bidding on certain military contracts.
9. Agricultural conservation program.
10. Military service credits for railroad retirement.
11. Veterans pension and other programs.

Expand non-Federal participation:

12. Urban renewal.
13. Flood control.
14. School aid in federally affected areas.
15. Waste treatment construction grants.
16. Vocational education grants.
17. Public assistance.
18. Feed and seed assistance in disaster areas.

3. *Promote scientific research and space exploration.*—In the current fiscal year, total expenditures for basic and applied research and for scientific development have reached record amounts and a supplemental appropriation for 1959 to advance space technology is recommended.

For the fiscal year 1960, research and development expenditures will be increased still further, with emphasis on space exploration, peaceful uses of atomic energy, and basic science. Extensive space exploration investigations are being initiated, utilizing satellites and probes. Development work is going forward on high-energy fuel rockets, a million-pound thrust engine, and a nuclear rocket engine.

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RESEARCH AND DEVELOPMENT EXPENDITURES

(See special analysis H in part IV of this document)

[Fiscal years. In millions]

	1958 actual	1959 estimate	1960 estimate
Department of Defense [1]	$2,314	$3,282	$3,692
Atomic Energy Commission	637	790	846
National Aeronautics and Space Administration	89	153	280
Department of Health, Education, and Welfare	179	236	250
Department of Agriculture	111	128	127
National Science Foundation	35	60	80
Other agencies	133	192	208
Total	3,498	4,841	5,484

[1] As explained in special analysis H, part IV, figures for 1958, 1959, and 1960 are not fully comparable because of changes in appropriation structure; they also exclude about $2 billion of procurement funds in each year in support of research and development.

4. *Carry forward current public works programs—now larger than ever before.*—Increases were provided last year in construction programs for water resources, health facilities, public buildings, airways, and highways, partly to combat the recession. As a result, Federal expenditures for civil public works in fiscal 1960 will be the highest in history. It therefore seems both possible and prudent to take a breathing spell in the initiation of new projects. Accordingly, no additional funds are proposed in 1960 for starting new water resources projects, general office buildings, and veterans hospitals. Furthermore, reduced new spending authority is recommended for grants for local public and private hospitals, health research facilities, and for waste treatment works, although expenditures under earlier authorizations will continue to be high. Highway expenditures will increase in accordance with the program planned under the Federal Aid Highway Act, and modernization of airway facilities to meet operational and safety needs will go forward at a higher level of expenditure.

The combined outlay for reclamation, flood control, and navigation projects is estimated to be higher than ever before in 1960. Expenditures are expected to increase again in fiscal 1961 and to hold at that level in 1962 even without new starts beyond those for which initial appropriations have already been made. The new water resources projects authorized for starting in 1959 will be so spread out as to schedule initiation late in the year, wherever practicable, and, in a few cases, construction may be deferred until the fiscal year 1960.

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CIVIL PUBLIC WORKS

Expenditures from budget and trust funds, including grants and loans to State and local governments

(See special analysis F in part IV of this document)

[Fiscal years. In millions]

	1958 actual	1959 estimate	1960 estimate
Highways and roads	$1,589	$2,559	$3,097
Water resources and related developments	971	1,031	1,089
Office buildings and post offices	78	200	310
Aviation and space flight facilities	110	195	233
Schools and hospitals	183	215	201
Other structures	175	343	312
Total	3,106	4,543	5,242

5. *Continue at a high level programs which promote the general welfare of our people.*—This budget makes provision for programs which are of utmost importance to our individual citizens. Expenditures for health research and for constructing various types of health facilities will be at a record level in 1960. Activities to improve education, especially in science and mathematics, will be increased significantly in 1960 as a result of programs started or expanded in fiscal 1959. Grants to States for vocational rehabilitation will be higher in 1960 than in 1959, with services provided to 314,000 disabled persons. Public assistance grants to the aged, the blind, the disabled, and to dependent children will continue to rise. Strengthened programs in the Food and Drug Administration are recommended.

Proposals will be made for widening the coverage of unemployment compensation, for extending and improving the minimum wage and 8-hour laws, and for providing added protection in labor-management relations. I am again proposing legislation to strengthen safeguards on the conduct of labor union affairs, including the strengthening of the law enacted last year requiring public reporting on union welfare and pension plans.

In the housing field, the budget recommends broadening the authority of the Federal Housing Administration and removing the ceiling on the total volume of mortgage insurance it can provide. Legislation is also recommended authorizing capital grants for urban renewal projects for a 6-year period. Annual contributions to local housing authorities for low-rent public housing projects will rise in 1960 as more projects are completed. Commitments by the Federal National Mortgage Association to purchase mortgages on housing for

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urban renewal areas for relocating displaced families and for the elderly will continue to rise in 1960.

6. *Foster community development with increased local participation.*—The Federal Government is helping local communities meet many of the major problems of community development created by increasing population and growing urbanization. Federal expenditures for grants and long-term loans to assist 14 major types of capital improvements alone will reach an estimated $2.1 billion in 1960, or almost double the amount actually spent for these programs in 1958.

CAPITAL IMPROVEMENTS IN COMMUNITIES

Federal grants and long-term loans, excluding net operating expenses

[Fiscal years. In millions]

	Expenditures			Outstanding commitments, June 30, 1960[1]
	1958 actual	1959 estimate	1960 estimate	
Airport grants	$43	$50	$55	$162
Area assistance loans (proposed)			7	43
College housing loans	165	234	186	329
Development corporation loans (Small Business Administration)		4	15	6
District of Columbia construction grants and loans	11	15	16	73
Health research facilities construction grants	12	20	20	55
Hospital construction grants	105	123	128	288
Public facility loans	11	24	30	34
Public housing, annual contributions	95	111	120	[2] 240
School construction grants to federally affected areas	80	78	51	98
Urban renewal capital grants	35	76	100	1, 393
Urban renewal and relocation housing mortgage purchases	20	122	181	450
Waste treatment works grants	17	30	30	82
Total, budget funds	594	887	939	3, 253
Highway grants for urban areas (trust fund)	534	911	1, 136	2, 929
Total, budget and trust funds	1, 128	1, 798	2, 075	6, 182

[1] Including allocations and program reservations.

[2] Estimated maximum annual payment to cover debt service on long-term bonds sold to finance projects. (Unamortized capital costs underwritten by Federal contributions are estimated at $5 billion.)

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By the close of fiscal 1960, commitments for future Federal expenditures for the same programs are estimated to be over $6 billion.

These totals show how rapidly direct Federal aid to communities is growing. They exclude many other Federal programs which indirectly assist development or redevelopment of communities, such as construction of river and harbor improvements and air navigation facilities, grants for intercity highways, purchases of general housing mortgages and guaranties of housing and business loans of many types. They also exclude Federal aid to communities for nonconstruction programs in such fields as health and welfare.

Federal programs should foster orderly development in a way that will encourage private participation and will share costs equitably among the beneficiaries and the various levels of government. Legislation will be proposed to meet these objectives in the programs for urban renewal, college housing, highways, airports, schools in federally affected areas, and construction of waste treatment facilities. The budget also provides for a new program to assist industrial redevelopment of areas which have severe and persistent unemployment. The Congress is urged to enact legislation for such assistance along the line I have recommended previously.

7. Discontinue temporary emergency measures and strengthen permanent programs for economic stability.— Among the governmental actions taken last year under the stress of the recession were two temporary measures involving substantial Federal expenditures.

Funds were advanced to the States and Territories to finance extended unemployment benefits for workers who had exhausted their regular benefits. Only 17 jurisdictions chose to receive these advances for all workers who could be made eligible. Five other States enacted their own legislation extending the period of benefits for those covered under the regular State program. Of the remaining States and Territories, some obtained Federal aid for extended unemployment benefits for veterans and Federal employees alone, while 17 had no extended benefit legislation of their own and did not take advantage of the Federal program at all. In view of the rapidity of the economic recovery and the lack of uniformity of State participation, it is now estimated that expenditures over the life of this program will be $206 million less than the $666 million appropriated for it.

Another temporary measure was the authorization for Government purchases of $1 billion of mortgages on low-cost housing. This full amount has been committed. By the end of fiscal 1959, it is estimated that the Government will have spent over $600 million for such mortgages and will have over $300 million of commitments still outstanding, for which expenditures will occur in 1960.

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Direct emergency Federal expenditures for unemployment benefits and for emergency stimulation of home construction are unnecessary on a continuing basis. It is better to strengthen our essential continuing programs for economic growth and stability, and this budget so contemplates.

8. ***Continue the adjustments needed for a freer agricultural economy with less reliance on the Federal Treasury.***—The agricultural sector of our economy is in the paradoxical situation of having more efficient farms than ever before and yet of being more dependent upon Federal financial aid. During the current fiscal year, budget expenditures for agriculture and agricultural resources are expected to reach a peak of $6.8 billion. For the coming year, they are estimated to decline to about $6 billion, mainly as a result of the termination of the acreage reserve of the soil bank.

About three-quarters of these expenditures are for price supports and other programs to stabilize farm prices and income. Other expenditures for agriculture consist primarily of payments for conservation; loans for rural electrification, telephones, and farm ownership and operation; and research and extension activities.

Last year, the Congress enacted some changes in price-support laws, but additional amendments are necessary to help our agricultural economy adjust to the continuing revolution in farming technology. Changes are also needed in other agricultural programs. Legislative proposals will be transmitted later which should help our agricultural economy gradually free itself from so much Government support and control.

9. ***Reduce the burden on the general public for services to special groups.***—Certain Government activities confer measurable special benefits on identifiable groups or individuals beyond the benefits to the general public. The cost of Federal services which convey special benefits should be recovered through charges paid by the beneficiaries rather than through taxes on the general public.

In furtherance of this principle, the recent Congress approved some adjustments in postal rates, and increased the fees for a few other relatively smaller services. On the other hand, it increased postal employees' pay and highway construction grants without providing the additional charges needed to finance such expenditures. As a result of these and other developments, further legislation is necessary to put the postal service on a self-supporting basis and to finance highway construction without drawing on the general revenues.

This budget recommends legislation to make the activities listed in the following table more nearly self-supporting.

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ESTIMATED SAVINGS TO THE GENERAL TAXPAYERS FROM MORE ADEQUATE FEES AND CHARGES

[In millions]

	Fiscal year 1960	Full annual effect [1]
Support highway expenditures by highway-related taxes: [2]		
Finance deficiency estimated under present law	$241.0	$818.0
Transfer financing of forest and public lands highways to trust fund	41.0	41.0
Revise postal rates	350.0	350.0
Charge specifically for use of Federal airways:		
Transfer aviation fuel taxes from highway trust fund to general fund	34.0	34.0
Increase taxes on aviation fuels	51.0	70.0
Revise fee schedule for noncompetitive oil and gas leases	--------	14.0
Raise patent and trademark fees	3.5	3.5
Miscellaneous increased fees and cost recoveries	11.5	20.8
Total	732.0	1,351.3

[1] Net change on annual basis with present workload or first full fiscal year effect.

[2] Trust fund receipts, as distinct from budgetary savings, will be increased by an estimated net amount of $690 million in 1960 and nearly $900 million in subsequent years.

10. *Encourage private lending through flexible interest rates for Government credit programs.*—In a number of important cases, present legislation on programs for making loans, purchasing mortgages, and insuring or guaranteeing private loans sets inflexible and uneconomic restrictions on interest rates. This creates unneeded and hidden subsidies and requires excessive use of Federal funds by discouraging private lending.

To correct this situation, I recommend that for interest rates on new loans and commitments:

(*a*) The 4¾% ceiling on loans guaranteed by the Veterans Administration be replaced by a maximum rate not in excess of the rate for mortgages on sales housing insured by the Federal Housing Administration. This change will also have the effect of revising the interest rate ceiling on direct housing loans of the Veterans Administration.

(*b*) The ceilings of 4½% and 5% for rental (including armed services) and for cooperative housing mortgages insured by the Federal Housing Administration be increased to levels adequate to assure private financing.

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(*c*) The present statutory interest rate of 2% for loans made by the Rural Electrification Administration be replaced by a rate which will cover the current cost to the Treasury of equivalent-term borrowing and other reasonable costs.

(*d*) The statutory standard for college housing loans made by the Housing and Home Finance Agency (the rate at present is 2⅞%) be amended to authorize a rate which will cover the current cost to the Treasury of equivalent-term borrowing and other reasonable costs.

(*e*) The 3½% ceiling on ship mortgage loans by the Maritime Administration be replaced by authority to charge the full costs of the loans.

Such actions by the Congress will encourage the participation of private capital, and, in the long run, will reduce Government expenditures significantly. At the same time, Government guaranties or insurance will continue to permit interest costs to borrowers more favorable than the rates charged in the open market for similar loans.

11. ***Achieve long-run economies by adapting programs to changed circumstances.***—Changing conditions in recent decades have resulted in the enactment of hundreds of laws and the creation of vast new programs administered by new or enlarged agencies. In this same period, few Government programs or operations have been discontinued or reduced. Furthermore, in many cases, worthwhile objectives have been pursued with outmoded activities or methods and with accompanying excessive costs to taxpayers. This is a wasteful and inefficient way to conduct public business.

It is proposed in this budget that we start anew to amend the basic legislation for a number of Government programs and operations in order to adapt them to present circumstances and assure that they accomplish their objectives more effectively and with less cost.

IMPROVE CONTROL OVER THE BUDGET

Actions can and should be taken to achieve more effective control over the budget by improving present practices and procedures, especially those related to the consideration of budgetary requests.

Consider full fiscal situation.—The procedure used by the Congress for the review of fiscal matters is one which only the Congress itself can determine. Nevertheless, I believe that achievement of any overall fiscal objective is handicapped by the absence of arrangements under which the Congress can look at the fiscal situation as a whole. Such an arrangement was contemplated under a procedure established in the Legislative Reorganization Act of 1946, but apparently did not prove satisfactory to the Congress. Over the years since that arrangement fell into disuse, the executive branch has made consider-

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able progress in achieving a more comprehensive consolidated executive budget which sets forth a financial plan, including the effect of proposed legislation. I sincerely hope that the Congress will again consider ways by which it can more effectively overcome the diffused consideration which results from separate appropriation bills, the provision of new obligational authority outside of the appropriations process, and the separate deliberations on revenue bills and the debt limit.

Item veto.—The item veto is another important and needed reform, regardless of whether appropriations are made in a number of bills or in a consolidated bill. In either case, the necessity of accepting or rejecting a bill in its entirety prevents the President from considering separable provisions on their own merits. Congress has recognized the value of an item veto by granting it to governors of our territories and insular possessions. Most States have adopted this device. Presidents of both parties, starting as far back as Ulysses S. Grant, have recommended an item veto. Legislation granting an item veto to the President should apply to legislative measures authorizing expenditures as well as to appropriation bills, and should include authority to reduce the amount of an appropriation as well as to strike out an item. The use of such a veto by a President would not remove the final authority of the Congress, which would still retain its constitutional power to override any specific veto.

Public enterprises.—The appropriation and fund structure of the Government needs a new review and some overhaul. For example, major lending programs and other business-type activities are now financed through revolving funds, which enable their expenditures and applicable receipts to be more easily related to each other and thus improve their operating flexibility. However, there are several notable exceptions—among them the Rural Electrification Administration, Farmers' Home Administration, and the power marketing agencies of the Department of the Interior. Legislation will be proposed to permit these enterprises to be budgeted through revolving funds. The possibility of converting still more business-type activities to a revolving fund basis will continue to be studied, with a view to making recommendations to the Congress.

More adequate control over the financial affairs of the Government could be achieved if all Government corporations which possess authority to draw money from the Treasury or to commit the Treasury for future expenditures were brought under the budget provisions of the Government Corporation Control Act. As in past years, legislation to accomplish this purpose will be again submitted to the Congress. I urge that it be enacted.

Legislation will also be proposed to incorporate the Alaska Railroad to facilitate its operations on a business-like basis.

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Accrued expenditures and other controls.—In accordance with Hoover Commission recommendations, legislation was enacted last year to enable the Congress to exercise more direct control over the level of Government spending through limitations on accrued expenditures. As an initial step, this budget proposes such limitations for six appropriations. The beginning that can thus be made in improved congressional control should be extended as rapidly as experience warrants.

This budget extends the cost-based budgeting procedures which are necessary to get a proper measure of financial performance for many of the various agencies and programs. Further extensions will be made as agency accounting systems are made adequate to support them.

Continuing improvements.—Efforts to improve financial management practices need to be continued. Considerable progress has already been made by the executive agencies under the leadership of the joint accounting program which is sponsored by the Bureau of the Budget, the Treasury Department, and the General Accounting Office. But there remain a number of unsatisfactory situations, unimportant in earlier years of smaller budgets, that are now worthy of attention.

In the past, a number of appropriation items have been placed on a permanent basis and, in some of these cases, the major result achieved has been weaker control over the expenditures concerned. In addition, even though there are a few justifiable exceptions, the practice of providing authorizations to expend from debt receipts and contract authority outside the appropriation process is generally inconsistent with sound standards of budget practice.

Other inconsistencies occur in the system for making financial authority available to Government agencies. Some guaranty programs are fully funded by specific grants of obligational authority, some are partially funded, and others have an open-end call upon the Treasury. Some collections of funds now credited to miscellaneous receipts might be more properly credited against the related expenditures deliberately incurred to generate the receipts. Criteria for the use of revolving funds and trust funds have not been consistently applied.

Another problem in budgetary control has developed over the use of foreign currencies. In view of the volume of currencies generated by transactions under the Agricultural Trade Development and Assistance Act of 1954 and the numerous competing demands for their use for supplementary United States programs, more adequate procedures parallel to those governing dollar obligations are necessary. The action required by the Congress to authorize the use of certain of these currencies, for which a supplemental request will be transmitted for

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fiscal 1960, now relates to only a small portion of the currencies which will actually be used for Government programs.

The Director of the Bureau of the Budget is undertaking studies of the various weaknesses and inconsistencies mentioned herein to determine the most appropriate courses of action. Corrective recommendations will be made to the Congress as needed.

REVIEW OF MAJOR FUNCTIONS

The table below compares current estimates for each of the nine major functional categories in this budget with the actual figures for fiscal 1958 and the latest estimate for 1959. The recommendations and estimates for 1960 are discussed in the sections of this message which follow the table.

BUDGET EXPENDITURES

[Fiscal years. In millions]

Function	1958 actual	1959 estimate	1960	
			Estimate	Percent of total
Major national security	$44, 142	$46, 120	$45, 805	59. 5
International affairs and finance	2, 234	3, 708	2, 129	2. 8
Commerce and housing	2, 109	3, 509	2, 243	2. 9
Agriculture and agricultural resources	4, 389	6, 775	5, 996	7. 8
Natural resources	1, 543	1, 708	1, 710	2. 2
Labor and welfare	3, 447	4, 380	4, 129	5. 4
Veterans' services and benefits	5, 026	5, 198	5, 088	6. 6
Interest	7, 689	7, 601	8, 096	10. 5
General government	1, 356	1, 673	1, 735	2. 2
Allowance for contingencies	----	200	100	1
Total	71, 936	80, 871	77, 030	100. 0

MAJOR NATIONAL SECURITY

The changes in emphasis in the four major national security programs for the fiscal year 1960 reflect the growing armed strength of the United States and its allies and the continuing modernization of defense methods. The Department of Defense will significantly increase expenditures for procurement of missiles and for development and evaluation of new weapons, while reducing expenditures for other procurement and for construction. The Atomic Energy Commission is advancing all phases of its programs, particularly research in the peaceful uses of atomic energy. Our allies' progress in equipping

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their armed forces and the deliveries under military assistance in 1959 and prior years permit a reduction in military assistance expenditures. Expenditures for stockpiling and expansion of defense production will be reduced because basic stockpiling objectives for most materials are now fulfilled and because many defense production expansion contracts have already been completed.

Total expenditures for major national security programs in fiscal 1960 are estimated to be $45.8 billion.

MAJOR NATIONAL SECURITY

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Department of Defense—Military Functions:				
Present program	$39,062	$40,800	$40,693	$39,287
Proposed legislation for construction			252	1,563
Subtotal	39,062	40,800	40,945	40,850
Atomic energy:				
Present program	2,268	2,630	2,717	2,622
Proposed legislation			28	150
Subtotal	2,268	2,630	2,745	2,772
Stockpiling and expansion of defense production:				
Present program	625	378	140	
Proposed legislation			125	
Subtotal	625	378	265	
Military assistance:				
Present program	2,187	2,312	1,600	
Proposed legislation			250	1,600
Subtotal	2,187	2,312	1,850	1,600
Total	44,142	46,120	45,805	[1] 45,222

[1] Compares with $40,448 million of new obligational authority enacted for fiscal 1958 and $45,704 million (including $619 million of anticipated supplemental authorizations) estimated for fiscal 1959.

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Department of Defense—Military Functions.—The defense program for 1960 calls for new appropriations of $40,850 million. This is $288 million less than the appropriations estimated for 1959. However, approximately $0.7 billion of the funds appropriated by the Congress for 1959 in excess of the amounts recommended will be added to the 1960 program.

Expenditures in 1960 are estimated at $40,945 million, which is $145 million more than in 1959 and about $1.9 billion more than the amount spent in 1958—continuing the upward trend which began in 1956. Over the 5-year period from 1955 to 1960, annual expenditures for defense will have increased by over $5.4 billion.

Recent developments.—In the 1959 budget message I recommended a substantial acceleration of our defense effort in selected areas to enable our military strategy, techniques, and organization to keep pace with the rapid strides in science and technology.

During the last year we have made substantial progress in accelerating or starting key programs. The Atlas intercontinental ballistic missile has successfully completed a full-range test and the first operational Atlas missiles will be at launching sites by the end of the current fiscal year. Additional missiles will be put in place in 1960. The first units of the intermediate range missile Thor have already been deployed to the United Kingdom and additional units of both Thor and Jupiter will be deployed during the next 18 months. Construction is already well along on the first five submarines which will be equipped to fire the Polaris solid fuel ballistic missile and the first such submarine will go into operation in the calendar year 1960. Construction of the sixth Polaris submarine has begun and three more are authorized and will be started in fiscal 1960. Coming along at a rapid rate is the Titan, an advanced liquid fuel intercontinental ballistic missile. Development work is progressing rapidly on a "second generation" solid fuel intercontinental ballistic missile, the Minuteman.

For air defense, the Nike-Hercules, which is capable of being armed with a nuclear warhead, is replacing the Nike-Ajax. The Bomarc ground-to-air missile, capable of destroying attacking aircraft at extended ranges, will, when operational, augment manned interceptor planes. To meet the threat of attack by ballistic missiles, the Nike-Zeus missile is being developed at an accelerated pace and construction is underway on a new ballistic missile early warning system.

A dispersal program for our strategic bomber force and its supporting tankers is nearing completion. To improve the effectiveness of the B–52 intercontinental bombers, the production of the Hound Dog air-to-ground missile has been accelerated.

Important scientific data have been obtained from the satellites and lunar probes launched to date. The recent successful use of the

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Atlas as a satellite clearly demonstrated the potential usefulness of satellites in the field of communications. The Department of Defense will continue to investigate satellite applications of specific military interest. Its space programs will be closely coordinated with those of the National Aeronautics and Space Administration.

The time has come to consolidate our position in key areas of defense affected by recent advances in missiles. Sufficient progress has been made on new weapons systems to permit us safely to eliminate marginal systems and to reduce the number of competitive projects. The solid fuel Pershing and Sergeant missiles will replace the liquid fuel Redstone and Corporal. Production of the Regulus II (a ship-based aerodynamic intermediate range missile) has been terminated, and the Rascal air-to-ground missile program has been canceled.

Because of a change in tactical concepts, the decoy missile Goose has been eliminated. The Seamaster jet powered seaplane project will be stopped. Other weapon systems of lesser importance have also been eliminated. No more appropriations are planned for the Jupiter and Thor intermediate range ballistic missiles after 1960, unless units in addition to those already being provided to our allies through the military assistance program should later be agreed upon.

Thus, by concentrating our efforts on the more advanced and more promising weapons systems, we can increase substantially the combat capabilities of our military forces with a relatively small increase in the overall cost of defense.

Reorganization of the Department of Defense.—The Department of Defense Reorganization Act of 1958, approved on August 6, 1958, is being put into effect.

A streamlined chain of command is being established running directly from the Secretary of Defense through the Joint Chiefs of Staff to unified and specified commands which have been given full operational control of the forces assigned to their commands. The organization of the Joint Chiefs of Staff has been strengthened to provide the Secretary of Defense with the military advice and assistance required for effective planning and direction. The committee system of the Joint Staff has been replaced by seven new directorates, including one for operations. Appropriate instructions have been issued to delineate the additional responsibilities of the Joint Chiefs of Staff and to outline their relationships with other agencies of the Department of Defense.

A director of defense research and engineering has been appointed to assure that all scientific and technological resources of the Department of Defense are put to the best possible use. I expect the new organization to provide more effective leadership, help to eliminate

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duplication, and develop an integrated research and development program.

In addition, improvements have been made in the administrative procedures of the Department of Defense. Operating methods in the Office of the Secretary of Defense have been improved. Nearly 200 committees have been abolished. The responsibilities and functions of the assistant secretaries are being clarified.

The job ahead is to develop within this organizational framework the management relationships that will improve the decision-making process, clearly fix responsibilities, and provide to all agencies of the Department a full understanding of the broad national requirements that determine our military policy. The attainment of this objective will provide the teamwork that is essential for the continued maintenance of an effective and, at the same time, economical defense effort.

Military personnel policy.—This budget provides for a military force of about the same overall size and composition in fiscal 1960 as that planned for the end of the current fiscal year. This force, however, will have significantly greater combat power as new weapons continue to be added to inventories.

The number of active duty military personnel during 1960 will continue at the level planned for the end of the current fiscal year except for a small reduction in the Air Force. Since the end of the Korean conflict, we have followed the policy of reducing numbers of military personnel as more powerful weapons become available to our forces. However, it has become increasingly apparent that the Communist bloc is following a policy of deliberately and constantly probing free world positions to test our determination to resist the further forcible expansion of Communist influence. Under these circumstances, it is prudent not to plan for any significant changes during fiscal 1960 in our deployments overseas or in our ready military forces at home.

A major effort has been made during the last few years to enhance the attractiveness of military service as a career. The most recent action along this line has been the enactment of military pay adjustments and adoption of recommendations of the Advisory Committee on Professional and Technical Compensation. Although these and earlier measures increase the average cost per man, they have had highly beneficial effects in all the services. The quality of inductees and enlistees has improved. The first term reenlistment rate has increased and the experience and skill levels have been raised. These improvements point to greater stability of personnel, smaller basic and technical training loads, and, over the longer run, may permit some further reductions in military personnel.

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The objective of our defense effort today is the same as it has been in the past—to deter wars, large or small. To achieve this objective we must have a well rounded military force, under unified direction and control, properly equipped and trained, and ready to respond to any type of military operations that may be forced upon us. We have such a force now, and under this budget we will continue to have such a force.

Strategic forces.—A principal element of our deterrent power is the Strategic Air Command. The 43 wings of this Command are maintained at a high state of readiness and can react quickly and effectively to meet any major threat to our national security. This Command will be further strengthened during fiscal 1960 by additional deliveries of the improved B–52 intercontinental jet bomber and by the first deliveries of the new supersonic B–58 medium jet bomber together with additional KC–135 jet tankers. In addition, a new and important weapon will be provided by the introduction of Atlas missiles.

Our deterrent forces are complemented by the tactical units of the Army, Marine Corps, and Air Force and the mobile carrier task forces of the Navy, all with striking potential of great magnitude. The submarines designed to launch the Polaris missile will add significantly to our deterrent strength as they come into the fleet.

Air defense forces.—The North American air defense system is well established and is being improved constantly. Our forward warning line, which we operate jointly with Canada, stretches from the mid-Pacific around the northern edge of the continent and across the Atlantic approaches. Behind this line we have an extensive surveillance, tracking, and communications network. Elements of the structure are being tied together for operation by the semiautomatic ground environment (SAGE) system.

All the services contribute military elements to the unified command responsible for maintaining our air defense capability. The Air Force provides warning and control and the longer range weapons systems. The Army provides the shorter range weapons and over 70 Nike-Ajax and Nike-Hercules ground-to-air missile battalions will be in operation by the end of fiscal 1960. The Navy provides sea and air based radar which extend the early warning systems. National Guard units of many States participate in air defense. In addition, other regular and reserve forces of all the services stand ready in the event of need.

These forces, together with Canada's Air Defense Command, comprise the North American Defense Command and provide an air defense shield of growing effectiveness for the entire continent.

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Sea control forces.—Historically, the Navy has been assigned the primary mission of controlling sealanes. In the conduct of amphibious warfare and antisubmarine campaigns, it is equipped to support the commands responsible for actions ranging from localized emergencies to large-scale military operations. It is ready to conduct prompt and sustained combat anywhere in the world at sea or adjacent to the sea, and is able to exploit the mobility, surprise, and concealment afforded by the world's free oceans.

The naval forces will operate 864 ships, including 389 warships, in 1960. The carrier task forces will be strengthened with new Forrestal-class carriers and higher performance aircraft possessing both conventional and atomic firepower. The cruiser, destroyer, and frigate forces are steadily acquiring a guided missile capability.

Special programs, including research and scientific studies, are underway to enhance our antisubmarine capabilities. Task forces of specially equipped ships and planes specifically designed for antisubmarine warfare are being employed.

Tactical forces.—The tactical elements of the ground, naval, and air forces combine to deal with situations short of general war or to carry out essential tasks in event of general war. These forces include 14 Army divisions organized along pentomic lines and able to deliver both nuclear and high explosive firepower. Many of these divisions are deployed overseas and are evidence of this Nation's determination to participate actively in the collective defense of the free world.

The Army divisions are supported by the tactical air wings of the Air Force, approximately half of which are deployed overseas. Other important elements of our tactical forces are the 3 divisions and 3 air wings of the Marine Corps. In areas adjacent to the seas these forces can also be supported by carrier-based aircraft.

Both the Army and Marine Corps divisions are backed up by a variety of support units organized to provide both nuclear and nonnuclear military power. Air and sea transportation for these forces are provided by the Air Force and the Navy.

The readiness of our tactical forces to respond to potential aggression was well demonstrated during the Lebanon and Quemoy crises.

Appropriation structure.—In my message to the Congress last year transmitting recommendations relative to our entire defense establishment, I pointed out the need for the Secretary of Defense to have adequate authority and flexibility to discharge his heavy responsibilities. One of the areas requiring attention is the pattern under which funds are appropriated.

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This budget proposes a rearrangement of appropriations for the Department of Defense in terms of major purposes rather than of organization units. These broad categories are: (1) military personnel; (2) operation and maintenance; (3) procurement; (4) military construction; and (5) research, development, test, and evaluation. This rearrangement will permit consideration of the Department of Defense budget on a more uniform and more clearly understandable basis.

Operating costs.—The annual operating costs of the Department of Defense for active and reserve military personnel, for retired pay, and for operation and maintenance are approximately the same in 1960 as in 1959. They are estimated at about $22.3 billion in 1960, not taking into account credits of $0.4 billion in revolving funds. Savings from a somewhat lower average number of military personnel and somewhat smaller inventories of aircraft and ships to be supported in 1960 are offset by higher unit costs.

The average cost per man in uniform will be somewhat higher because of (1) required increases in the Government's social security contributions as employer, (2) additional longevity pay reflecting the larger proportion of career personnel, and (3) the proficiency pay provisions of the new military pay law.

The average cost of operating and maintaining each weapon and unit of equipment will be higher because they are more complex. Other elements of increased cost are the additional SAGE centers which will be operational in 1960, the increased cost of medical care for dependents of military personnel, and the larger number of family housing units which will have to be supported by the Department in 1960.

For the past 5 years, the Department of Defense has pursued a vigorous program to provide adequate housing for military personnel and their families, both within the continental United States and overseas. This program has met with significant success and sufficient numbers of units have been built or are under construction to satisfy a major part of the military requirements. With the recommended extension of the armed services mortgage insurance program for another year and with a more adequate interest ceiling, private enterprise and local community support should be able to meet most of the remaining requirements for military housing in the continental United States. Some new Government-operated housing will still be required, however, for new installations and certain existing installations in the United States and overseas.

Procurement, research, and construction.—Expenditures for procurement, research, development, test, and evaluation, and military construction are estimated at $19 billion for 1960. There is an in-

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crease over 1959 in the combined expenditures for procurement and for research, development, test, and evaluation and a decrease in expenditures for military construction. Missile systems in 1960 will take a larger share of total procurement expenditures and aircraft will take less. Ships and other weapons and equipment will take about the same amount as in 1959.

This budget will provide for the procurement of a total of 1,610 aircraft, including jet bombers and jet tankers, land based and ship based fighters, ship based attack aircraft, trainers, helicopters, and transports. Funds are also provided for the continuation of the development of the B–70, a new high altitude supersonic intercontinental bomber, and of a new high speed interceptor.

Work will also continue, at about the same level as in 1959, on the development of a nuclear powerplant for military aircraft. Until such a powerplant is successfully developed, and the technical problems involved in operating a nuclear-powered aircraft safely are solved, there is no practical military value in attempting to build the airplane itself. It is the judgment of my scientific advisers, which I approve, that the pace of this program should continue to be geared to valid technical considerations.

In addition to providing for the missiles discussed earlier, the budget also includes funds for a wide variety of tactical missiles, for both the ground and naval forces, and for additional quantities of air-to-air missiles.

The shipbuilding program proposed for 1960 includes another Forrestal-class carrier, the eighth of its class. In line with the Navy's recommendation, this carrier will be conventionally powered. It is only good sense to wait until we have more experience with the construction of the first nuclear powered carrier authorized in the 1958 program before we start the construction of another.

The 1960 shipbuilding program also provides for 17 other new ships and for converting 13 ships to more modern types. In addition to the carrier, the ship construction program includes 6 guided missile destroyers and frigates, 3 nuclear powered attack-submarines, and 8 other vessels. Nine Polaris submarines have been authorized to date. This budget provides for the advance procurement of long lead time components for three additional Polaris submarines. Conversions include a cruiser, 8 destroyers, and 4 other vessels. This modernization will improve the antisubmarine warfare capabilities and extend the useful life of World War II destroyers.

Research will be conducted on, among other things, very early warning systems, ballistic missile defense, solid fuel chemistry, and

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the use of military satellites and other military vehicles for navigation and communication purposes. I am also requesting $150 million for the Department of Defense emergency fund—the same amount as provided for 1959—to provide for the exploitation of breakthroughs or unanticipated developments which may occur during the coming year.

Provision has been made for the essential needs of our ground forces. Included in this budget are funds for weapons, ammunition, engineering and training equipment for the Army and Marine Corps ground forces to enhance the combat power of the individual soldier.

Legislation for military operations.—There are a number of existing provisions of law concerning military personnel which will require legislative action during this session of Congress to extend the expiration dates. They include induction authorities under the Universal Military Training and Service Act, the special enlistment program authorized by the Armed Forces Reserve Act, the act suspending the permanent limitation on the authorized active duty strength of the Armed Forces, and the Dependents Assistance Act.

In the Department of Defense Appropriation Act for fiscal year 1959, the Congress enacted mandatory minimum strengths for the reserve components of the Army, an unprecedented departure from past policy. This action cuts deeply into the concept of flexibility overwhelmingly endorsed by the same Congress in the Department of Defense Reorganization Act of 1958. It is entirely inconsistent with a policy of promptly adjusting our military forces and concepts to rapidly changing world conditions and revolutionary advances in science and technology. Furthermore, I consider these mandatory provisions wasteful of resources that can be more appropriately applied elsewhere. I strongly urge, therefore, that the Congress repeal these mandatory provisions at an early date, and recommend that future defense appropriations contain no similar provisions.

The Departments of the Army, Air Force, and Commerce have for some years been operating long-line communications in Alaska. With Alaska now a State, a communications system should be developed which will be more responsive to the growing needs of the Alaskan economy and people, as well as to the needs of the Government agencies operating in that State. In my judgment, such a system can best be developed by private enterprise. I will therefore soon submit to the Congress proposed legislation to authorize the sale of these Government-owned communications facilities.

For the past several years the Department of Defense Appropriation Act has contained a rider which limits competitive bidding by firms in other countries on certain military supply items. This restriction is sharply at variance with the general law, popularly known

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as the Buy American Act. I strongly urge that the Congress not reenact this rider.

There are special problems involved in our present system of proficiency flying and its relationships to flight pay for personnel assigned to flying duty. The Secretary of Defense has been requested to make a study of these problems in the interest of improvements and economies.

Legislation on military property, construction, and procurement.—Changes in military concepts, weapons, and training requirements have markedly reduced or eliminated the need for some military installations and property while creating additional requirements for new types of facilities. Consideration should be given to legislation to streamline procedures and legal requirements for disposing of such obsolete facilities and real property. Such procedures would also reduce administrative costs of managing property and place property which is now exempt from State and local taxes on the tax rolls.

In this connection, section 601 of Public Law 155, 82d Congress, imposes restrictions on the executive branch of the Government with respect to certain real estate transactions of the Department of Defense. As stated in the budget message last year, the Attorney General has advised me that this provision of law reflects the exercise of legislative authority not warranted by the Constitution. I again recommend its immediate repeal.

The continued and rapid growth in the use of petroleum products has made questionable the need for maintenance of the relatively small naval petroleum reserves as a significant defense measure, since it would appear that the nationwide, even worldwide, petroleum industry must be relied upon to provide efficiently for our petroleum requirements in both peace and war. Accordingly, the administration will study (and I would hope the Congress would do likewise) the advisability of disposing of the anachronistic naval petroleum reserves, thereby relieving the Department of the Navy of an inappropriate responsibility and also providing additional revenue to the Federal Government.

This budget contains recommendations for $1.6 billion additional authorization for acquisition and construction of facilities for the Armed Forces. The details of this program are now under study in the Department of Defense and are subject to modifications in consonance with the program planning of the Armed Forces. The program will be held to the minimum requirements for facilities and installations essential to the modern weapons systems being made operational. I will submit at an early date both the additional authorizations and the related estimates of appropriations for the military construction programs.

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Another matter which will require the attention of the Congress during this session is the expiration of the Renegotiation Act on June 30, 1959. This is the law under which excess profits gained on certain Government contracts and related subcontracts are recaptured by the Government through renegotiation. I recommend that this act be extended.

Development and control of atomic energy.—Expenditures by the Atomic Energy Commission are expected to reach an all-time high of $2.7 billion in fiscal 1960. This large amount reflects our determination to maintain our position of world leadership in the field of nuclear military armaments until such armaments are brought under adequate international control and to promote the development of peaceful applications of atomic energy.

In the light of our offer to suspend tests of nuclear weapons for a 1-year period starting October 31, 1958, and in view of the negotiations for further suspension, the budget does not provide for any weapons tests in the fiscal year 1960. Under the circumstances, testing grounds in Nevada and the Pacific will be kept on a standby basis.

A satisfactory test suspension agreement, of course, is but a first step toward reducing the grave threat of nuclear warfare. This administration intends to explore all possible means of attaining armament control under adequate inspection guaranties despite the recent suspension of negotiations on means of avoiding surprise attack. I hope that we shall succeed. Until an acceptable agreement is reached, however, financial authorizations must be provided to continue development and production of nuclear weapons at current high levels to meet a variety of military needs.

Programs for the development of nuclear reactors for a variety of military propulsion and power applications will be continued at or above the high levels already attained.

Peaceful uses of atomic energy.—At the second Conference on the Peaceful Uses of Atomic Energy in Geneva during September 1958, the United States demonstrated the range and scope of its atomic research and development in the peaceful applications of this new energy source.

We plan to pursue energetically the promising technical approaches to civilian power reactors. We will emphasize efforts to reduce the cost of the reactor fuel cycle; such a reduction is basic to the attainment of economic atomic power. This budget provides for continuation of construction and for development, modification, and operation of a number of experimental and prototype power reactors owned by the Government, including operation of the atomic power station at

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Shippingport, Pa., the world's first nuclear powerplant devoted primarily to the production of electric energy. We will also continue substantial support of power reactor projects undertaken by groups outside of the Atomic Energy Commission.

The Commission in exercising its responsibility for direction of the civilian nuclear power development program will identify desirable projects to advance that program. In carrying out these projects the Commission will continue to work with the Nation's electric power producers, both privately and publicly owned, and will continue to seek cooperation from industry in order to utilize its experience and resources. In addition, exchange of technical information with foreign countries will be expanded through participation in international undertakings, especially the European Atomic Energy Community (Euratom) and the International Atomic Energy Agency.

Further investigations into the possible use of nuclear explosions for such peaceful purposes as mining and earth moving, known as Project Plowshare, will be conducted.

Legislation will be proposed in this session to carry out the recommendations of the Joint Federal-State Action Committee in the field of atomic energy, which would recognize certain State responsibilities for the protection of public health and safety.

The budget provides for a higher level of research in the physical and life sciences. Three large particle accelerators in the multibillion electron volt range will be put in operation in 1960. These new accelerators, together with two already completed, will produce valuable new information on the basic structure of the atomic nucleus. More advanced experimental devices will be fabricated and operated to explore the control of thermonuclear reactions. Also, as part of the life science program, the budget includes funds for the operation of the new Brookhaven Medical Center, where the first nuclear reactor designed primarily for medical research purposes is located.

Stockpiling and defense production expansion.—Most of the objectives for the stockpile of strategic and critical materials have been substantially reduced as a result of new studies, and most of these reduced objectives have been met. Consequently, the need for new procurement has been sharply decreased. At the same time deliveries under contracts made during the Korean conflict to encourage expanded production of defense materials are declining. Substantial reduction in the Government's purchase commitments has also been achieved through negotiation with contractors.

For these reasons, expenditures for stockpiling and expansion of defense production are estimated to decline from $378 million in fiscal 1959 to $265 million in 1960. However, because the present authority

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is inadequate, legislation will be needed in 1959 to authorize an additional $325 million to finance probable deliveries in the next 2 years under existing contracts for expanding defense production.

Mutual security program.—The mutual security program is designed to help strengthen the defense and bolster the political and economic stability of the free world. Through it the United States shares in worldwide efforts to meet the Communist threat and to help improve the standard of living of people in less developed nations. For the fiscal year 1960, I am recommending new obligational authority of $3,930 million for the mutual security program. Expenditures are estimated to be $3,498 million, which is $383 million less than in fiscal 1959.

The military assistance portion of the mutual security program, which is primarily related to our military defense effort, is discussed in this section of the message. The other portions of the mutual security program are directed primarily toward promoting stability and economic growth in less developed countries. They are discussed in the International Affairs and Finance section of this message.

The accomplishments, future needs, techniques, and interrelationships of military and economic assistance need to be reassessed in the light of continuing change in military technology and strategy and in economic and political conditions, and with consideration of new Communist techniques in waging the cold war. Therefore, I recently appointed a committee of outstanding citizens, with experience in government, the Armed Forces, and business, to appraise the military assistance program and the relative emphasis the United States should place on military and economic aid. Accordingly, in the present budget, provisions for the mutual security program are subject to whatever recommendations I may make in connection with my later transmission to the Congress of this program.

Military assistance.—In meeting the threats of Communist military aggression, the United States relies on two sources of strength, our own defense forces and the forces of more than 40 free-world nations, to many of whom we provide military assistance. Three of these, Korea, China, and Vietnam, are divided nations facing aggressive Communist-dominated forces across uneasy boundaries. Other recipients border on hostile Communist states, face potentially dangerous internal Communist movements, or are defenders of the great industrial communities of the free world.

Our primary concern is to insure the free world's ability to deter war and to retaliate against attack if deterrence fails. This we do

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MUTUAL SECURITY PROGRAM

[Fiscal years. In millions]

Function and program	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Major national security:				
Military assistance	$2,187	$2,312	$1,850	$1,600
International affairs and finance:				
Development Loan Fund	2	125	200	700
Defense support	874	815	780	835
Technical cooperation	140	159	170	211
Contingencies and other assistance	408	470	498	584
Subtotal	1,424	1,569	1,648	2,330
Total, mutual security	3,611	3,881	3,498	[1] 3,930

[1] Compares with new obligational authority of $2,764 million enacted for 1958 and $3,516 million (including $225 million of anticipated supplemental appropriations for the Development Loan Fund) estimated for 1959.

through our own military capability and by providing intermediate and short-range missiles and other weapons to a number of our allies.

But the free world also faces the Communist threat of local aggression and military subversion. This danger is best met by conventional forces of the threatened countries. If necessary, the United States and other free-world nations would send reinforcements under the terms of regional pacts and bilateral agreements. Our allies, through their own efforts, are covering the bulk of the costs of operating and maintaining their forces. The United States supplies the critical military equipment that our partners cannot supply themselves and assists in the training of their officers and men.

The estimate of new obligational authority for military assistance in the fiscal year 1960 is $1,600 million. Expenditures in 1960, which will be made primarily from obligational authority enacted in previous years, are estimated to be $1,850 million, a reduction of $462 million from the amount estimated for 1959.

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Nonmilitary defense.—Closely allied to our military preparedness are the nonmilitary civil defense and mobilization programs. These were reorganized last year under a new Office of Civil and Defense Mobilization, for which increased appropriations are recommended for 1960. These programs are discussed with other programs concerned with industry and community facilities in the Commerce and Housing section of this message, under which these expenditures are classified.

INTERNATIONAL AFFAIRS AND FINANCE

The United States is directing its diplomacy and devoting a substantial share of its economic resources to maintaining world peace and the security of free nations. In a world which still contains much want and suffering, it is a goal of our foreign policy to promote the economic stability and growth of less developed countries. This is as vital to us as it is to the countries concerned in the present world situation.

Although military danger persists, a strengthened free-world defense system enables less developed countries to concentrate much of their effort on needed economic progress. Increased international trade, private investment, public programs of lending, and technical assistance are essential to these efforts.

Expenditures for international affairs and finance are estimated to be $2.1 billion in the fiscal year 1960. This amount is $1.6 billion less than the expenditure estimate for 1959, mainly because of an additional and nonrecurring subscription of $1,375 million to the International Monetary Fund for which I am requesting authority for 1959.

Further expansion of trade was made possible when the Congress last year extended the reciprocal trade agreements legislation for 4 years. Under the authority of this act, we will seek additional agreements with friendly countries for mutually beneficial reductions of trade barriers.

The greater share of investment capital and technical ability in the United States and other highly developed countries is to be found in private hands. Less developed countries could benefit in greater measure from this large private reservoir by making investment more attractive to firms from other countries. The United States on its part invites negotiation of tax treaties designed to encourage its citizens to invest abroad. I will request legislation to expand the Mutual Security investment guaranty program, which offers guaranties to American private investors against losses on foreign investment that

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INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Economic and technical development:				
International Monetary Fund subscription (proposed legislation)	.....	$1,375	.....	.....
Export-Import Bank	$340	243	−$6	.....
Mutual security, economic:				
Development Loan Fund:				
Present program	2	125	180	.....
Proposed legislation	.....	.....	20	$700
Defense support:				
Present program	874	815	515	.....
Proposed legislation	.....	.....	265	835
Technical cooperation:				
Present program	140	159	85	.....
Proposed legislation	.....	.....	85	211
Contingencies and other assistance:				
Present program	408	470	272	.....
Proposed legislation	.....	.....	226	584
Other (primarily Department of Agriculture emergency famine relief abroad)	146	135	126	115
Conduct of foreign affairs:				
Department of State	175	242	212	204
Other	2	4	4	2
Foreign information and exchange activities:				
United States Information Agency	109	107	114	127
Department of State, exchange of persons	24	25	24	24
President's special international program	16	9	7	7
Total	2,234	3,708	2,129	[1] 2,809

[1] Compares with new obligational authority of $3,983 million enacted for 1958 and $7,070 million (including $4,945 million of anticipated supplemental authorizations) estimated for 1959. The 1959 supplementals include proposed additional U. S. subscriptions to the International Bank for Reconstruction and Development of $3,175 million and to the International Monetary Fund of $1,375 million.

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are caused by inconvertibility of currencies, expropriation, or war. The Export-Import Bank is actively seeking more private participation in its loans and is selling part of its portfolio to private investors, with the expectation of financing all of its operations in fiscal 1960 from receipts. The United States subscription to the capital of the International Bank for Reconstruction and Development helps that agency in channeling private capital into public loans to less developed countries.

In addition, studies are being conducted by the Department of State and the Business Advisory Council of the Department of Commerce on ways to increase the role of private investment, management, and technical training abroad.

International financial organizations.—To assist in economic development and in the sound expansion of trade, the United States participates with other countries in international financial organizations and also makes loans and grants directly to other nations. The multilateral and bilateral approaches complement each other and both are essential to the achievement of our objectives.

The International Bank for Reconstruction and Development extends loans for capital investment, and the International Monetary Fund promotes sound foreign exchange policies and encourages trade by assisting countries to overcome short-term foreign exchange problems. Both institutions have proved their worth as instruments of international financial cooperation. However, they cannot continue with the same effectiveness unless their present resources are supplemented. The executive directors of each institution have recommended an increase in member country subscriptions of 100% for the Bank and 50% for the Fund. I request that the Congress promptly approve the United States share of these recommended increases. Early approval will assure the other member countries that the increase in capitalization can be achieved quickly, and thus encourage prompt action by them.

For the additional United States quota in the International Monetary Fund, this budget includes $1,375 million as supplemental new obligational authority and as estimated expenditures in 1959. Of this amount, $344 million is to be paid in gold and the balance of $1,031 million is to be paid in the form of non-interest-bearing Treasury notes. The anticipated subscription to the International Bank of $3,175 million in the fiscal year 1959 is included in the budget as new obligational authority but not as an expenditure because it will be in the nature of a guaranty fund. On the strength of guaranties from all its members, the Bank is able to sell its bonds to private investors.

We are now negotiating with our Latin American neighbors concerning the establishment of an inter-American development banking

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institution which would facilitate the flow of public and private capital to economic development projects in this hemisphere and would supplement existing lending arrangements. This negotiation may result in a later request for legislation permitting United States participation in such an institution.

The administration is also currently studying the feasibility of establishing an international development association which would be affiliated with the International Bank for Reconstruction and Development and would make loans repayable wholly or partially in the borrower's currency.

Development Loan Fund.—In 1957, the United States established the Development Loan Fund to provide capital on terms more favorable than are normally available from other sources, including repayment in foreign currencies. The Development Loan Fund finances both public and private projects that clearly contribute to the basic development of a country but do not qualify for private loans or for financing by the International Bank for Reconstruction and Development or the Export-Import Bank.

The Development Loan Fund is now making loans in substantial numbers, and will have an increasing impact in assisting less developed economies. The Fund will have committed virtually its entire capital by the end of this month. Because of the vital importance to our foreign economic objectives of continuing this type of lending, a supplemental appropriation for fiscal 1959 of $225 million is recommended. This amount has already been authorized but not appropriated by the Congress. New obligational authority of $700 million is requested for fiscal 1960.

Defense support.—Many of our allies among the less developed countries maintain large military forces required for the common defense despite the added strain placed on their national economies by the continuing cost of these forces. To help prevent the living conditions and political stability of these countries from deteriorating because of the economic burden of their military forces, the United States provides economic aid through appropriations for defense support. This aid takes the form of food, textiles and other consumer goods, machinery, and raw materials. For fiscal 1960, new obligational authority of $835 million is requested for defense support.

Technical cooperation.—Through technical cooperation under the mutual security program the United States assists less developed countries to acquire technical, administrative, and managerial skills. This improvement of skills must go hand in hand with the financial and material resources made available for development. For 1960 an increase of approximately $40 million in new obligational authority is

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requested. This will enable the United States to train more foreign technicians and provide more American experts and demonstrational equipment, with emphasis on expanding programs in Africa. The increase will also permit the United States to pay its share of the expected greater contributions by member nations to the new United Nations special fund for technical assistance projects.

Contingencies and other assistance.—The mutual security program for 1960 includes a request for $200 million to be available for unforeseen contingencies and emergencies that may arise. In addition, appropriations will be requested for special assistance needed for the stability and progress of a number of countries not covered by other categories of aid and for such programs as our contributions to the worldwide malaria eradication program. Other special activities covered by the mutual security program are the United States contributions to the United Nations Children's Fund (UNICEF) and to refugee programs.

Legislation will be recommended to revise requirements on eligibility of countries for aid and thus provide the necessary additional flexibility to help nations that are resisting Soviet domination.

Conduct of foreign affairs.—The Department of State plans to open several new diplomatic and consular posts and to increase its staff dealing with problems of eastern Europe and international communism. Legislation will again be recommended to clarify the authority of the Secretary of State with regard to the issuance of passports. Legislation will also be recommended to reimburse Americans for certain property damage in Europe and the Far East during World War II for which compensation has not previously been authorized.

Foreign information and exchange activities.—The United States Information Agency will continue the major rebuilding of its radio facilities begun in fiscal 1959 to improve the reception overseas of the Voice of America. The cultural content of our information programs will be increased, more American books will be distributed abroad, and greater emphasis will be given to English-language teaching.

COMMERCE AND HOUSING

Over the past 6 years this administration has fostered major advances in the programs of the Federal Government for aviation, highways, urban renewal, the postal service, and aid to small business.

Expenditures for all commerce and housing programs in the fiscal year 1960 are estimated at $2.2 billion, which is $1.3 billion less than the estimated expenditures for 1959. The estimated reduction occurs

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COMMERCE AND HOUSING

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Promotion of aviation and space flight:				
National Aeronautics and Space Administration:				
Present program	$89	$146	$130	
Proposed legislation		7	150	$485
Federal Aviation Agency:				
Present program	277	466	560	537
Proposed legislation				65
Civil Aeronautics Board	38	58	63	63
Promotion of water transportation:				
Department of Commerce	174	212	232	279
Coast Guard	219	238	250	260
Panama Canal	−1	13	5	
Provision of highways	31	36	[1] 3	(1)
Postal service:				
Present program	674	752	459	522
Proposed legislation			−350	−350
Community development and facilities:				
Urban Renewal Administration:				
Present program	58	80	104	1
Proposed legislation				252
Other	21	39	40	7
Public housing programs	51	93	93	137
Other aids to housing:				
Federal Housing Administration	−63	−62	−113	
Federal National Mortgage Association	−32	678		
College housing loans	164	236	186	
Veterans Administration:				
Present program	159	144	133	150
Proposed legislation			−33	
Other	−1	29	−24	10
Other aids to business:				
Small Business Administration	71	157	164	201
Proposed legislation, area assistance			10	55
Other	44	48	40	52
Regulation of commerce and finance	49	58	60	61
Disaster insurance, loans, and relief	21	20	16	5
Civil and defense mobilization	66	60	65	87
Total	2, 109	3, 509	2, 243	[2] 2, 880

[1] Reflects proposed financing of Federal-aid highways in national forests and public lands from highway trust fund.

[2] Compares with new obligational authority of $5,863 million enacted for 1958 and $3,210 million (including $715 million of anticipated supplemental authorizations) estimated for 1959.

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primarily in the Federal National Mortgage Association and the Post Office Department. Reduced purchases of low-cost housing mortgages and administrative steps to increase receipts will enable the Association to finance its 1960 operations entirely from its current collections. The proposed legislation to provide more adequate postal rates and the absence of the large retroactive 1959 payments for pay and transportation will sharply reduce net budget expenditures for the postal service.

Transportation and communication.—In recent years, the Federal Government has had to take actions to meet emergency problems which have arisen in highways, railways, and aviation. These actions have sometimes been taken on a partial and piecemeal basis, without full consideration of the impact on other transportation programs. The Secretary of Commerce, at my request, is undertaking a comprehensive study of national transportation to identify emerging problems, redefine the appropriate Federal role, and recommend any legislation or administrative actions needed to assure the balanced development of our transportation system.

Space flight.—The National Aeronautics and Space Administration, organized in 1958, is initiating extensive scientific investigations with satellites and probes to increase our understanding of the earth's outer atmosphere; the moon and the planets; the earth's gravitational, magnetic, and electric fields; radiation from space; and other phenomena. Programs in the field of meteorology will look toward the ultimate establishment of a worldwide system of satellite weather observation, and in the field of communications will continue to experiment with the use of satellites to serve as relays for the intercontinental transmission of messages, voice, and television. Projects to increase our ability to place heavy objects in space include development of high energy fuel rockets, a million-pound thrust engine, and a nuclear rocket engine.

To promote rapid advancement of space technology, a supplemental appropriation of $45 million is requested for 1959. Of this amount $21 million is for accelerating development of the technology of manned space flight and $24 million is for equipment and facilities for propulsion development and tracking. For 1960, I am requesting new obligational authority of $485 million, an increase of $135 million over the 1959 total; this includes the agency's aeronautical programs as well as its outer space activities.

Aviation.—Under the new Federal Aviation Agency, traffic control activities, both civil and military, are now being combined into a single system more capable of handling safely and efficiently

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the increasing number of planes of varying speeds. Expenditures for construction and operation of needed new facilities for the Federal airways system are accelerating as programs authorized in earlier years move from plans to performance. A newly established program to augment civilian facilities with existing air defense radar is now in effect and is being accelerated. At the same time, the extensive research underway will help us to resolve the even more difficult air traffic control problems of the future.

Legislation for Federal grants to aid local airport construction expires at the end of fiscal 1959. As I stated last year in disapproving legislation greatly expanding this program, the Federal Government should now begin an orderly withdrawal from the airport grant program. Legislation will therefore be recommended to authorize a transitional program of Federal grants to share the costs of basic facilities, such as runways and control towers. One-half—instead of three-fourths as in the expiring law—of the funds appropriated would continue to be available to the States on the basis of the existing apportionment formula. The other one-half would be available for expenditure on a discretionary basis. Revenue-producing facilities, such as terminals and hangars, should be financed locally. This program will require $65 million of new obligational authority in fiscal 1960, with somewhat smaller amounts in each of the following 3 years.

For the Federal Aviation Agency as a whole, including direct programs and airport grants, I recommend that the Congress provide new obligational authority of $602 million in 1960. Expenditures are estimated to be $560 million, which is $94 million more than in 1959 and almost four times the amount spent for these purposes in 1956.

Subsidy payments by the Civil Aeronautics Board to commercial air carriers are continuing to rise, primarily because of the increasing service to small communities. Practically all of the $63 million in payments estimated for 1960 will go to local service carriers including helicopter operators. The loan-guaranty program administered by the Board, by helping local service carriers to finance new equipment, should in the long run reduce the need for subsidy. Moreover, the Board has announced its intention to suspend service at any point where adequate traffic has not developed after a fair trial. This "use it or lose it" policy should help to prevent permanent certification of uneconomic service.

Airway user charges.—The magnitude of the burden on the general taxpayers for rising airway expenditures makes it essential that users of the facilities pay a greater share of the cost. To this end, legislation will be transmitted to raise the effective tax on aviation gasoline from 2 cents to 4½ cents in 1960 and to levy the same tax on jet fuels, which are now tax-free. These increased costs should be

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includible, along with other airline costs, in determining the rates charged the ultimate users of air transportation. Receipts from taxes on aviation gasoline should not be used for highways; they should be retained in the general fund instead of being transferred to the highway trust fund. These changes in revenue laws will increase general fund receipts by an estimated $85 million in fiscal 1960 and by somewhat larger amounts in subsequent years.

Promotion of water transportation.—The national maritime policies under which we now operate were laid down 23 years ago in the Merchant Marine Act of 1936. It is increasingly apparent that both the adequacy of and the need for those policies require reappraisal by the executive branch and the Congress. Accordingly, as a part of the general transportation study referred to earlier, the Secretary of Commerce will review the major problems of the shipping industry. As soon as his report is available, I hope the Congress will hold comprehensive hearings. We need new national policies and guidelines which can become effective at the earliest possible date.

At present, the bulk of our Merchant Marine consists of ships built during the years 1942 to 1946. Since existing law normally requires replacement of vessels at the age of 20 years, we must establish definitive policies on such questions as the realistic life span of merchant ships, the number of ships actually needed in our Merchant Marine, the extent to which their construction and operation should continue to be subsidized by the Government, and the pattern of trade routes that should be served by subsidized ships. There should also be an examination of present policies on such matters as foreign flag registration and the competition of foreign shipping.

In the meantime, the 1960 budget provides for a substantial ship construction program. New obligational authority of $129 million is recommended for construction subsidies and related programs in 1960. This appropriation will be used for replacing 14 needed cargo and combination passenger and cargo ships. It is not contemplated that any of it will be used for the passenger superliners authorized last year. I request that the Congress reconsider its action requiring that these superliners be built under direct Federal loans, which under present law would be made at an interest rate below that paid by the Government itself for comparable borrowed money.

The first nuclear powered merchant ship, the N. S. *Savannah*, is expected to be completed in January 1960. Research on improved nuclear propulsion of merchant ships is continuing. Legislation should be enacted to assure that nuclear materials may be distributed for use as fuel on United States merchant ships.

Some savings in maintenance costs will be realized by the Maritime Administration through disposal of surplus shipyards which it owns

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and through reducing preservation work on over 1,000 Liberty ships no longer suitable for mobilization.

Expenditures for operating subsidies to shipowners, estimated at $130 million, will be unchanged from 1959. A maximum of 330 ships are expected to be eligible for operating subsidies, including a limited number for new Great Lakes routes.

Urgently needed repair and modernization of Coast Guard equipment and facilities are provided for in the increase of $20 million in new obligational authority over the 1959 amount. This will not only improve the protection given life and property but will also save operating and maintenance costs in the future.

Highways.—The comprehensive highway program enacted in 1956 established the principle that highway users, rather than the general taxpayers, should pay the cost of Federal-aid highways. The larger contract authority enacted in 1958, however, will create a cumulative deficit in the highway trust fund under present law of $241 million by the end of the fiscal year 1960, and about $2.2 billion by the end of 1962.

To maintain the trust fund on a self-supporting basis, I am recommending a temporary increase of 1½ cents in highway fuel taxes, to become effective July 1, 1959, and to remain in effect through the fiscal year 1964. This increase is necessary to assure availability of the entire 1961 and 1962 Federal-aid highway authorizations without waiving provisions in the basic legislation which limit expenditures to the amounts available in the trust fund.

HIGHWAY TRUST FUND

[In millions]

Fiscal year	Expenditures	Receipts	Year-end balance
Under existing legislation:			
1957	$966	$1,482	$516
1958	1,602	2,134	1,049
1959 estimate	2,553	2,143	639
1960 estimate	3,102	2,222	−241
1961 estimate	3,109	2,291	−1,059
1962 estimate	3,484	2,377	−2,166
After enactment of proposed legislation:			
1960 estimate	3,136	2,912	415
1961 estimate	3,180	3,175	410
1962 estimate	3,558	3,296	148

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In addition, as I have previously recommended, the forest and public land highways, which are an integral part of the Federal-aid system but are now financed from general budget funds, should be transferred to trust fund financing, and the revenues from aviation gasoline taxes which are now allocated to highway construction should be retained in the general fund. The net effect of these changes is that all Federal expenditures for Federal-aid highways will be paid from the highway trust fund and the fund itself will be financed by highway users.

Postal service.—Since 1953 this administration has been using every available method to improve the efficiency of the postal service, and to place its operations on a self-supporting basis, except for a few subsidized uses authorized by law.

In the last session the Congress took an important step by enacting the first comprehensive increases in postal rates in a quarter century. The increases, however, were considerably short of the minimum necessary amounts which I had requested and were made more inadequate by pay increases for postal employees for which no additional financing was provided. As a result, new obligational authority of $522 million would be required next year, under existing legislation, to finance the postal deficit and the subsidized public services.

The Postal Policy Act of 1958 established, for the first time on a statutory basis, the principle that postal rates should be adequate to cover all costs of operating the postal establishment with certain exceptions. Consistent with this requirement, further revisions in rates should be enacted adequate to provide at least $350 million of additional revenues in 1960. Legislation for this purpose will be proposed in the near future.

An appropriation of $172 million is requested to reimburse the Post Office Department for public service costs not required to be covered by postal revenues. However, the concept of public services as defined in the act requires excessive costs to be charged against general Treasury revenues. Therefore, the Congress should correct this situation by amending the Postal Policy Act of 1958 to prevent these excessive charges and to assure a more equitable sharing of postal operating costs between mail users and the general public.

These increases in rates, together with the appropriations for public service items, should provide adequate funds, not only to meet the expanded requirements for postal service in 1960, but also to carry forward the research and capital programs already underway. As a result we can make needed progress in acquiring modern facilities and equipment adequate to take care of the steadily increasing mail volume in later years.

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Housing and community development.—A year ago I presented to the Congress a carefully considered program for revision and extension of the basic statutes governing several major housing and community development programs. Adjournment of the Congress without enactment of these recommendations has made it necessary to adopt temporary expedients to handle continuing applications for urban renewal capital grants and college housing loans until new authorizations can be made available. Emergency legislation has already been proposed to the Congress to provide the funds necessary for these programs and to increase the mortgage insurance authority available for the remainder of the fiscal year. In this message I shall emphasize comprehensive long-run changes needed in this important area.

Urban renewal.—The Federal Government is providing major assistance to communities in halting urban deterioration and replacing it with orderly redevelopment. Approximately 650 urban renewal projects are now underway or completed in more than 380 cities. These will involve an ultimate net cost estimated at about $2 billion, of which over $1.3 billion will be supplied by Federal capital grants. The Federal Government also has outstanding loans and loan guaranty commitments totaling about $700 million for temporary financing of these projects.

When urban renewal legislation was not enacted by the Congress last year, authority subject to the President's discretion had to be used to make available $100 million for capital grants. Since this authorization will soon be exhausted, the emergency legislation already proposed contains an additional $100 million for 1959 and also $100 million to restore the discretionary authority for future emergencies.

The Congress should act promptly upon four major revisions in the urban renewal laws:

(*a*) Assure the States and cities of continuing Federal support for urban renewal by authorizing capital grants of $1,350 million for the next 6 years. For each of the first 3 years, 1960–62, $250 million should be authorized, with $200 million annually for 1963–65. This forward authorization, together with administrative steps already taken to allocate the available funds equitably, should enable each community to develop a long-term community-wide plan which may then be financed in realistic annual installments.

(*b*) In accordance with the predominantly local benefits received, require States and cities to assume a gradually increasing share of the expense of buying and improving the land and of other net project costs. On projects initiated in fiscal 1960, the Federal Government should continue to pay two-thirds of the net cost and the State and

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local community one-third. In succeeding fiscal years the State and local share should increase by steps to 40, 45, and finally 50% in 1963–65. The increased non-Federal share should not prove onerous, since much of this contribution normally is provided through construction of improvements otherwise necessary and the increased property values in the completed projects will usually permit the local costs to be recovered in increased tax receipts, often within 10 years or less.

(*c*) Encourage more careful planning by requiring the States or communities to assume their share of the cost of planning from the start. At present the Federal Government advances the full amount for planning and the local share is paid only if the project actually goes forward.

(*d*) Aid nonresidential urban renewal projects by authorizing $150 million in loan commitments to assist local agencies to obtain financing from private sources. Projects of this type often can yield such substantial increases in property tax revenues that local communities should be able to finance them without requiring Federal grants.

Public housing programs.—By the end of the fiscal year 1960, over 475,000 federally aided public housing units will be occupied by about 2 million people, and the additional 110,000 units already authorized will be under contract for Federal contributions but will not yet be constructed. These 585,000 units should meet most of the demand for such housing by low-income families displaced by highway construction, urban renewal, or similar governmental action in the next few years. I shall not ask for authorization for any additional units.

Insurance of private mortgages.—Through the mortgage insurance programs of the Federal Housing Administration and the loan guaranty program of the Veterans Administration, the Federal Government is underwriting private credit for a substantial share of all houses built and purchased. Twice during the past calendar year, however, orderly planning and financing of home building have been jeopardized when increases in applications for mortgage insurance exhausted or threatened to exhaust the maximum amount of insurance authorized by law. The emergency housing legislation already recommended to the Congress would increase the existing limitation by $6 billion. I urge that the limitation be completely removed in general legislation so that this self-supporting program will be available at all times to insure adequate financing of housing.

Several other major legislative actions should be taken to permit insurance programs of the Federal Housing Administration to meet demonstrated needs:

(*a*) Enact permanent authority to insure property improvement loans;

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(*b*) Authorize interest rates for insured armed services and other rental and cooperative housing mortgages adequate to assure private financing of such loans;

(*c*) Establish a new insurance program for mortgages on rental housing for elderly persons to replace the present limited program;

(*d*) Broaden the special mortgage insurance for families displaced by urban renewal and other Government programs to include more effective aids for rental housing;

(*e*) Extend for another year the authority to insure mortgages for military housing;

(*f*) Increase the maximum amounts of mortgages on sales housing eligible for insurance.

Veterans' housing loans.—The direct housing loan program of the Veterans Administration was extended and liberalized last spring as an antirecession measure. Requests for direct loans now exceed available funds in large part because the law does not permit interest rates that are adequate to attract private financing of guaranteed loans. I urge the Congress to act promptly to authorize the same flexibility in interest rates for the Veterans Administration as the Federal Housing Administration already has for comparable programs, and to extend the voluntary home mortgage credit program. These two actions should enable private lenders to meet a large share of the unsatisfied demand by veterans for Government loans, and will also reduce budget expenditures.

Mortgage purchases.—Under its special assistance programs, the Federal National Mortgage Association purchases certain types of insured or guaranteed mortgages. From 1956 through 1958 expenditures for these purchases have been exceeded by receipts from repayments and from sales of mortgages acquired under earlier purchase programs. In 1959, however, mortgage purchases will exceed repayments and sales, and net expenditures will jump to an estimated $678 million, as a result of the billion-dollar program authorized last spring by the Congress to purchase mortgages on low-cost housing at terms favorable to the borrowers.

For the fiscal year 1960, the Association will endeavor to cover its expenditures for mortgage purchases by receipts from mortgage sales and other sources. To make this possible without diverting the flow of new funds from the mortgage market, an estimated $335 million in Government-owned mortgages will be offered to investors in exchange for certain Government bonds which then will be retired.

To avoid unnecessary budget outlays in future years the Housing and Home Finance Agency is increasing its efforts to obtain private financing for programs now largely financed with special assistance funds. These efforts, aided by those of the Department of Defense, have already proved successful in obtaining adequate private credit for

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the armed services family housing program which, until last spring, had been financed mainly from Government funds. New commitments of over $400 million are anticipated for 1960, mainly for the purchase of mortgages on housing in urban renewal areas and housing for the relocation of families displaced by governmental actions. Since the agency is now permitted to control the prices at which it purchases such mortgages, the rapidly growing financing requirements can and should be met in substantial degree from private sources.

College housing.—No additional authorizations were provided for college housing loans by the Congress last year. Accordingly, while processing of loan applications has continued, only limited new commitments have been made. The emergency legislation already before the Congress would provide $200 million in new lending authority at once. This should be adequate to meet the needs for loans for at least the remainder of the fiscal year 1959.

For the fiscal year 1960, no additional new obligational authority is requested for college housing loans. However, an estimated $50 million in obligations owned by the Government will be offered to investors in exchange for certain Government bonds which then will be retired. This amount will be available for loans to take care of unusual cases during a transitional period from direct Government loans to other means of financing college housing needs.

About 60% of the demand for college housing loans in recent years has come from State universities and other public institutions. Such institutions normally can borrow privately on relatively favorable terms because of Federal tax exemptions on the income from their obligations. Nevertheless, they have been encouraged to borrow from the Federal Government by the low subsidized interest rates required by law since 1955. For the remainder of the present direct loan program, the law should be amended to remove this incentive to Federal borrowing by (*a*) denying eligibility for loans to any institution qualified to issue tax exempt securities and (*b*) placing in the law a requirement that interest rates cover costs on loans to all remaining eligible borrowers.

For the future, and in order that there may be no hiatus in providing Federal assistance where it is most needed, this budget suggests that the Congress include in general housing legislation provisions relating to college housing which would authorize a limited loan guaranty program. However, it seems to me that the continued needs of colleges and universities for housing should be considered within the framework of the general problems of education. The Department of Health, Education, and Welfare is now concluding its studies of these problems.

Small business.—Recent enactment of the Small Business Investment Act and of legislation making the Small Business Administration a permanent agency is substantially strengthening Federal

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assistance to small businesses. New loan commitments to State and local development corporations and to newly authorized small business investment companies are estimated at $73 million in 1960, thereby putting to work a much larger amount of private capital. Efforts will be continued to assist small businesses in obtaining a fair share of Federal procurement, to advise them on Government property disposals, and to provide them with technical and management assistance. The new program of grants for research on small-business problems and counseling for small firms is getting underway. The expansion in loans can be financed largely by increased receipts anticipated from loans made in prior years, so that net expenditures of $164 million for the agency's business-aid programs will be only $7 million greater than in 1959.

Area assistance.—In disapproving the area redevelopment legislation enacted in the closing days of the last Congress, I expressed the hope that the next Congress would promptly pass a more soundly conceived program. The revised legislation which this administration is proposing would:

(*a*) Place the major responsibility on local citizens;

(*b*) Authorize loans to areas where unemployment has been well above the national average for 2 or more years;

(*c*) Authorize grants for technical assistance to these areas and to localities dependent upon a single industry or situated in rural low-income areas;

(*d*) Place leadership in the Department of Commerce, with the assistance of other Federal agencies.

To finance this program, I recommend initial appropriations in fiscal 1960 of $55 million. Based on the successful, comparable programs conducted by certain States, these appropriations should be adequate to meet the Federal share for redevelopment of all areas expected to qualify under the proposed legislation.

Civil and defense mobilization.—Reorganization Plan No. 1 of 1958 merged the former Office of Defense Mobilization and the Federal Civil Defense Administration into the new Office of Civil and Defense Mobilization. This merger is now substantially completed and permits improved coordination of our nonmilitary defense. New obligational authority of $87 million is recommended for 1960.

Methods for formalizing the means by which the Office of Civil and Defense Mobilization utilizes appropriate resources of other departments and agencies are now being studied. The OCDM budget includes $12 million for financing the assigned responsibilities of such agencies in civil defense and mobilization programs.

It also includes $21 million to carry out legislation enacted last year for sharing with the States the cost of civil defense personnel

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and administration, and for providing radiological monitoring devices to States and cities for training and operational use.

During the past year the administration accelerated a program of public education on the effects of fallout with the aim of stimulating preparations for fallout protection. The new obligational authority for OCDM includes $11 million for the continuing support of this program and for research and demonstration on shelters.

AGRICULTURE AND AGRICULTURAL RESOURCES

Expenditures for agriculture and agricultural resources are surpassed in magnitude in the budget only by outlays for national security and for interest on the public debt. The continuing heavy impact of agricultural programs on the budget is mainly the result of the continued high volume of agricultural production and our long established and now largely outmoded system of farm price supports. This system of price supports is not suited to the technically more efficient agriculture that has been rapidly developing in this country. The system provides production incentives that impede needed adjustments and encourages the production of surpluses which, in turn, result in increased Government outlays for commodity loans and purchases, and for storage and interest costs.

Legislation is urgently needed, therefore, to make further revisions in the price support program. Recommendations will be sent to the Congress in a special message on agriculture. In this budget I am recommending extension of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) and the Sugar Act, major changes in the rural credit programs, and a reduction in the advance authorization for the agricultural conservation program.

Estimated expenditures for agricultural programs in fiscal year 1960 are $6 billion, which is $779 million less than the estimate for the current year, but $1.6 billion more than was actually spent in 1958. The main part of the decrease expected in 1960 is in the soil bank program, because the acreage reserve portion terminated at the end of the 1958 crop year.

Total new authority to incur obligations requested for agriculture and agricultural resources in 1960 is $5.1 billion. This amount includes, among others, $2 billion to restore the capital impairment of the Commodity Credit Corporation resulting from price support losses, and $1.2 billion to reimburse the Corporation for estimated costs and losses under other programs financed through that agency. All of these Commodity Credit Corporation costs and losses are reflected in budget expenditures of 1959 and prior years.

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AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Stabilization of farm prices and farm income:				
Commodity Credit Corporation:[1]				
Price support, supply, and purchase programs	$987	$3,118	$2,880	$2,044
Public Law 480:				
Present program	1,073	1,049	983	968
Proposed legislation			50	
National Wool Act	57	21	81	48
Other	177	233	224	193
Soil bank—acreage reserve	620	713	1	1
Removal of surplus agricultural commodities	125	150	150	239
Sugar Act	70	68	75	72
Other	42	35	46	46
Subtotal	3,151	5,386	4,490	3,609
Financing rural electrification and rural telephones	297	325	335	225
Financing farm ownership and operation:				
Farm Credit Administration	−3	4	2	2
Farmers' Home Administration	242	247	194	204
Conservation of agricultural land and water resources:				
Agricultural conservation program (including CCC loan)	233	240	197	242
Soil bank—conservation reserve	113	141	343	360
Soil Conservation Service, watershed protection, Great Plains program, and other	102	133	135	129
Research and other agricultural services	255	299	301	294
Total, agriculture and agricultural resources	4,389	6,775	5,996	[2] 5,065

[1] Certain expenditures for agriculture and agricultural resources which are shown elsewhere in this document under CCC are shown in this table under the soil bank programs for which the CCC serves as disbursing agent.

[2] Compares with new obligational authority of $6,257 million enacted for 1958 and $5,414 million (including $1,241 million for anticipated supplemental authorizations) estimated for 1959.

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Price supports and related programs.—Expenditures for price supports and other programs to stabilize farm prices and farm income will comprise about 75% of total expenditures for agriculture and agricultural resources in 1960.

Because of the many uncertainties with respect to future production, consumption, and exports of farm commodities, it is difficult to estimate the expenditures required for price supports. The budget assumes that crop yields in 1959 will be lower on the average than the record yields of 1958, but that a part of the land that was in the acreage reserve of the soil bank will be used to produce additional price-supported crops in the 1959 crop year. The shift of this idle land to crops will be a factor contributing to continued heavy Commodity Credit Corporation expenditures under existing laws.

Because of the technological revolution that is still increasing productivity in agriculture, farmers continue to produce more than can be marketed at home and abroad. Under our present open-end price support system, this excess production results in increased Federal loans and purchases and increased carryover inventories. Total loans and commodity inventories of the Commodity Credit Corporation on June 30, 1958, amounted to $7.1 billion. This accumulation is expected to rise to $9.1 billion by June 30, 1959, and still further to nearly $10.5 billion by June 30, 1960. To prevent continuation of huge Federal outlays, legislation will be proposed to make badly needed changes in the price support system.

Titles I and II of the Agricultural Trade Development and Assistance Act of 1954 expire on December 31, 1959. Sales of farm commodities for foreign currencies under title I of this act and donations of commodities for relief purposes under title II have provided a temporary method of coping with some of the continuing excess production of farm commodities. This budget proposes extension of titles I and II of this act for 1 additional year, with an increase from $6,250 million to $7,750 million in the authorization for the Commodity Credit Corporation to incur costs and losses under title I.

The International Wheat Agreement between wheat importing and wheat exporting countries expires on July 31, 1959. The desirability of extending this agreement is currently being studied.

Although the Sugar Act, which serves to stabilize domestic sugar prices and assure adequate domestic supplies, does not expire until December 31, 1960, it is recommended that the act be extended at this time in order to give sugar producers needed time for production planning.

Agricultural credit programs.—The Rural Electrification Administration has made a major contribution to the development of rural America. Over 95% of our farms now have central station electric

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service compared with 11% in 1935. Expanding use of power in the areas served by electric cooperatives, however, requires substantial amounts of new capital every year to provide additional generating capacity and heavier transmission and distribution facilities. Rural industrial and nonfarm residential consumers, which already account for about one-half of total power sales by the REA system, are increasing their power consumption much faster than are farm consumers and comprise about 75% of the new customers being added. The prospective size of new capital requirements, together with the present state of development of the rural electric cooperatives, emphasizes the need to broaden the sources of capital from which the REA system may obtain the funds to finance needed expansion.

I am again proposing that legislation be enacted to assist both electric and telephone borrowers to obtain financing from private sources.

A reduction in the levels of the direct loan programs of the Farmers' Home Administration is recommended in this budget. Direct loans for farm ownership and for soil and water conservation are supplemented with private loans insured by the Federal Government. In order to attract additional private credit, the Secretary of Agriculture, under authority of present law, has raised the interest rate to be paid on insured farm ownership and soil and water loans from 4½ to 5%.

Legislation will also be proposed to place the Farmers' Home Administration on a revolving fund basis of operation. Under such legislation funds received in repayment of previous loans would be available for new loans and administrative expenses.

Conservation of agricultural resources.—Payments to farmers representing a sharing of the costs of conservation practices performed during the 1959 crop year will require $197 million in expenditures and $242 million in new obligational authority for fiscal 1960. These amounts are needed to pay for the advance authorization in the 1959 agricultural appropriation act, which exceeded my recommendation. For the 1960 crop year a reduced advance authorization of $100 million is recommended. This amount, along with other public programs in support of soil and water conservation, will provide substantial incentives for farmers to continue the soil and water conservation practices required to maintain our agricultural resource base.

With termination of the acreage reserve, many farm owners are expected to place larger acreage in the soil bank conservation reserve. This shift, together with an increase in rental payments, will result in an increase in expenditures from $141 million in fiscal 1959 to $343 million in 1960. The budget provides for an upper limit of $375 million on payments in the 1960 calendar year, which is the same as was provided for 1959.

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No additional funds are recommended for 1960 to initiate construction on watershed projects under the Watershed Protection and Flood Prevention Act. However, funds available from the 1959 appropriation will permit starting construction on 60 projects in 1959 and 40 more in 1960.

Research and other agricultural services.—Expenditures for research, education, and other agricultural services financed from direct appropriations will be about the same in the fiscal year 1960 as in 1959, more than double the amount spent for these purposes in 1954. Research in foreign countries to increase industrial uses of agricultural commodities will be strengthened through the use of foreign currencies obtained from the sale of farm commodities abroad.

NATURAL RESOURCES

Expenditures for the development and conservation of natural resources are estimated at $1.7 billion in 1960, approximately the same as in 1959, which itself will be higher than any previous year. About two-thirds of the expenditures in 1960 will be for the development of water resources.

Work on many resource development projects underway was accelerated in the latter part of the fiscal year 1958 to aid in economic recovery, and the higher rate of construction has continued into 1959. To carry forward projects started in 1959 and earlier years will require some increases in appropriations for 1960. In view of this record program, no funds are provided in the 1960 budget for starting construction of new water resources projects. Further, the budget contemplates stretching out construction on some projects underway where this can be done without stopping work on the projects. Other programs will be continued at or below current levels. Even with these economies, total expenditures in 1960 for resources programs will remain at a record level.

Water resources.—Flood control, navigation, irrigation, and related activities of the Corps of Engineers and the Bureau of Reclamation are expected to require expenditures of $1.1 billion in 1960—an all-time high. Of this amount, an estimated $869 million will be spent on construction.

In the years after 1960, an amount of $5 billion will be required to complete going projects, and annual expenditures in 1961 and 1962 will be even higher than in 1960. In view of this extremely high level of commitments and expenditures, the budget contemplates that in some cases work on new starts, for which appropriations were made for 1959, will be limited in that year largely to preconstruction

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NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Land and water resources:				
Corps of Engineers, civil functions	$699	$725	$815	$865
Department of the Interior:				
Bureau of Reclamation	226	270	250	256
Power marketing agencies	42	36	41	43
Indian lands resources	46	64	61	56
Public domain and other	29	34	32	33
Saint Lawrence Seaway Development Corporation	48	17	4	----
Tennessee Valley Authority:				
Present programs	38	46	8	15
Proposed legislation for revenue bond financing	----	2	18	----
Federal Power Commission	6	7	7	7
Department of State and other	5	7	6	5
Forest resources	174	194	186	192
Fish and wildlife resources	60	69	70	70
Recreational resources	69	97	83	81
Mineral resources	59	78	78	68
General resource surveys and other	43	61	51	52
Total	1, 543	1, 708	1, 710	[1] 1, 744

[1] Compares with new obligational authority of $1,456 million enacted for 1958 and $1,943 million (including $243 million of anticipated supplemental authorizations) estimated for 1959.

activities, including land acquisition. No additional funds are requested to start new projects in 1960.

In the interest of sound water resources programs in future years, funds are recommended to continue investigations and advance planning and to assemble basic data for future projects. I continue to believe that, as part of sound advance planning, the Fryingpan-Arkansas project in Colorado should again be considered for authorization, but no appropriation to start construction should be enacted until the overall budgetary situation is more favorable.

Research will continue on processes for converting sea water and brackish water to fresh water. Design work and site selection for

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demonstration plants, initiated in fiscal 1959 under legislation enacted during the past session of the Congress, will be advanced in 1960.

One of the most pressing needs for achieving a sound water resources policy is the establishment of a consistent basis for cost sharing on flood control projects. Several distinguished commissions have emphasized the disruptive effects of requiring the Federal agencies responsible for flood protection works to operate under different and confusing cost-sharing standards. Legislation will be proposed to set a uniform basis of cost sharing for all projects not yet under construction that produce identifiable flood protection benefits to local areas. Under such legislation, non-Federal interests would bear at least 30% of the cost, with the value of lands, easements, and rights-of-way contributed locally counted as part of the non-Federal share. Operation and maintenance would be a State or local responsibility.

I again urge the Congress to take action early in this session to authorize the sale of revenue bonds by the Tennessee Valley Authority in order that the Authority may meet its needs for new generating facilities. Under such legislation the Congress would retain budgetary control of the program. This budget includes a supplemental authorization for fiscal 1959 of $200 million under the proposed revenue bond legislation.

To help improve financial management, legislation will be recommended for the establishment of revolving funds for the Bonneville, Southeastern, and Southwestern Power Administrations in the Department of the Interior. These Administrations market hydroelectric power generated at certain dams constructed by the Corps of Engineers and the Bureau of Reclamation. With this legislation, part of the receipts from these power sales would be used directly, subject to such limitations as may be included in appropriation acts, for financing the operation and maintenance expenses of the marketing agencies, thus reflecting the results of these business-type operations in the budget on a net basis.

Other resource programs.—In 1960, expenditures for conserving and developing the resources of the national forests, public domain lands, and Indian lands will be somewhat lower than in 1959. Receipts from management of these lands are estimated at $300 million in 1960, an increase of $22 million over the 1959 estimate. In accordance with this administration's policy to obtain a fair return for use of federally owned resources, legislation will be proposed to revise the fee schedule for noncompetitive oil and gas leases on lands in the public domain.

Scheduled construction on Indian reservations will permit progress in providing roads, irrigation and water systems, and buildings and utilities. The major share of building construction will go for schools

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for Indian children who reside on lands held in trust by the United States.

Expenditures in 1960 for fish and wildlife resources will be at about the present level. An increase is recommended to acquire lands for additional wildlife areas in 1960. Also, to aid the fishing industry, the fishery loan fund will be augmented by $3 million and mortgages for fishing vessels will be insured by the Bureau of Commercial Fisheries in the Department of the Interior.

This budget provides for the continued improvement of our national parks and the development of the national forests for recreational use. A supplemental 1959 appropriation is recommended to enable the recently established Outdoor Recreation Resources Review Commission to undertake the first comprehensive survey of outdoor recreational resources and needs. It is anticipated that the Commission's findings and recommendations will provide guides for Federal, State, local, and private interests in considering how to meet the increasing demands for outdoor recreation.

Under present methods of utilizing natural gas, helium is largely being dissipated into the atmosphere. This unique gas is needed for atomic energy and missile programs as well as industrial welding and certain types of aircraft. Legislation is recommended to conserve for future use the Nation's vital helium. Maximum private participation and financing in accomplishing this objective are contemplated.

LABOR AND WELFARE

The Federal Government's labor and welfare services have grown significantly in the last decade as new programs have been enacted and old ones broadened and expanded. Budget expenditures for labor and welfare will have doubled between 1950 and 1960. Including payments from trust funds as well as budget funds, there is an almost fourfold increase, from $5.3 billion in 1950 to an estimated $19.1 billion in 1960. Much of the increase in budget outlays has been for grants-in-aid to States and local governments, which in 1960 will comprise three-fourths of budget expenditures for labor and welfare programs.

Total expenditures for these programs are estimated at $4.1 billion. This is $682 million more than was spent for these programs in 1958 but $251 million less than the estimate for the current year. The decrease from 1959 to 1960 occurs chiefly because of the expiration on April 1, 1959, of the antirecession legislation for temporary Federal unemployment compensation payments. Excluding these temporary payments, estimated expenditures in fiscal 1960 are $161 million greater than in 1959. Significant increases are provided in 1960 for the defense education program initiated in fiscal 1959 and for higher public assistance grants as required by legislation enacted by the last Congress.

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LABOR AND WELFARE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Promotion of science, research, libraries and museums:				
National Science Foundation: Basic research	$35	$60	$80	$94
Department of Commerce: Bureaus of Census and of Standards	16	41	105	120
Other	21	32	42	26
Promotion of education:				
National Science Foundation: Science education	15	51	60	67
Department of Health, Education, and Welfare:				
Defense education program	--------	65	110	150
Assistance for schools in federally affected areas	189	198	188	181
Vocational education and other	57	62	63	63
Department of the Interior: Indian activities	54	60	57	59
Labor and manpower:				
Temporary extended unemployment compensation	48	412	--------	--------
Grants for administration of employment service and unemployment compensation	295	322	324	329
Other	115	92	101	103
Promotion of public health:				
National Institutes of Health:				
Research grants and activities	187	251	254	294
Grants for health research facilities and direct construction	14	24	27	20
Hospital construction grants	106	124	129	101
Grants for construction of waste treatment facilities	17	30	30	20
Other	222	240	238	229
Public assistance	1, 797	1, 987	2, 022	2, 038
Correctional and penal institutions	34	41	45	59
Other welfare services	225	287	251	243
Total	3, 447	4, 380	4, 129	[1] 4, 196

[1] Compares with new obligational authority of $4,161 million enacted for 1958 and $4,158 million (including $273 million of anticipated supplemental authorizations) estimated for 1959.

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While continuing to support programs necessary to stimulate greater State and local effort in areas of critical national concern, this administration has consistently endeavored to strengthen our system of government by encouraging State and local governments to assume responsibility for many public needs which they can provide well without relying on Federal aid at all, or by financing a larger share from their own revenue sources. Therefore, toward this objective, legislation is again recommended to:

(*a*) Discontinue Federal grants for vocational education and for waste treatment works construction and adjust Federal revenue laws as recommended by the Joint Federal-State Action Committee so the States can assume full responsibility for these programs starting in the fiscal year 1961;

(*b*) Modify the provisions for aid to schools in areas affected by Federal activities;

(*c*) Increase State and local participation in the financing of public assistance programs.

Specific proposals will be transmitted to the Congress during this session on each of these matters and I urge the Congress to speed their enactment.

The rapid growth in our population, when added to the increasing complexity of our economy as a result of rapid technological advances, brings us face-to-face with increasingly difficult problems in the fields of health, education, and welfare. We cannot continue to deal with these problems on a year-to-year basis. We must, as a Nation, arrive at an understanding on long-term goals. At the same time we must endeavor to reach an understanding on the respective contributions that should be made by government at all levels and by private groups in order to achieve these goals. I have announced in my state of the Union message a series of studies designed to facilitate the reaching of such consensus.

Science, research, and education.—Expenditures for basic research, which provide the foundation for advancements in applied research and technology and assist in the support of our universities, will continue upward in 1960. Expenditures for the program of research grants by the National Science Foundation are expected to reach $80 million, an increase of $20 million above 1959 and more than double the 1958 amount. Basic research in other departments and agencies will continue to increase over past years. For all agencies combined, it is estimated that Federal expenditures for basic research will be about $500 million in the fiscal year 1960.

In the field of education, primarily in science and mathematics, this budget provides for increased expenditures by the National Science Foundation and the Department of Health, Education, and Welfare for programs initiated or enlarged in fiscal 1959.

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The National Science Foundation programs are carried out through fellowships to individuals and grants to institutions of higher learning. They are chiefly directed toward providing encouragement and opportunity for capable students to undertake careers in science, improving courses of instruction in sciences, and providing advanced training for scientists and science teachers. For example, in 1960, 28,000 teachers—including one out of every six science and mathematics teachers in our high schools—will have the opportunity to attend institutes devoted to the improvement of teaching in these fields. Expenditures for the science education programs of the Foundation in the fiscal year 1960 are estimated at $60 million, an increase of $9 million above the 1959 level, and four times the expenditures in 1958.

The Department of Health, Education, and Welfare, under the National Defense Education Act of 1958, is initiating a program of repayable contributions to loan funds for college students and of grants-in-aid to States. The grants, which will run for 4 years, will help pay for the testing and counseling of high school students, the equipping of laboratories in the secondary schools, and related activities. The budget includes a supplemental appropriation for 1959 of $75 million to augment the $40 million already available in fiscal 1959 for the defense education program and provides $150 million in new obligational authority for fiscal 1960 pending further experience with the program.

Schools in federally affected areas.—Although education is primarily a responsibility of State and local governments, the Federal Government has an obligation to assist communities where large numbers of children of persons engaged in Federal activities impose an extraordinary burden on local school districts.

Programs to provide financial assistance to districts thus affected have been extended and liberalized several times since they were first started in 1950, despite the fact that they should be modified to assure greater and more equitable local responsibility. The Federal Government's responsibility is clear for those children whose parents both work and live on Federal property, and do not, therefore, pay local property taxes. On the other hand, it is only proper for the communities to bear the cost of educating children of those Federal personnel who, like all other residents, pay local taxes directly or indirectly for the support of public schools. In accordance with these principles, legislation will be recommended to place these aid programs on a more sound and equitable basis.

This budget includes appropriations of $181 million for these programs for the fiscal year 1960, the same amount as the appropriations provided by the Congress for fiscal 1959.

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Government statistical and economic services.—The rapid growth of our economy and the effective operation of markets for goods and services requires prompt and accurate national statistical information, as well as improved organization in the Government for its analysis.

This budget recommends a major increase in funds for obtaining fundamental economic and demographic data through the 18th decennial census. It also provides for improvements in the compilation of regular price, construction, manpower, and related data to help produce more sensitive and useful information on which many private and Government policies are based. Additional price data will be collected for the Consumer Price Index by the Department of Labor, and a start will be made toward a revision of the index, which is to be completed in 5 years. Preparation of statistics on construction activities will be consolidated in the Department of Commerce. The responsibility for planning and publication of current comprehensive employment and unemployment statistics will be centralized in the Department of Labor, where the work on labor requirements will be strengthened.

Labor and manpower.—The growth of our economy depends in large measure upon the full use of our manpower resources and the effective operation of the free labor market. The Federal-State employment security system, with an estimated 54,000 State employees in 1,800 local offices, makes an important contribution to the functioning of that market. This budget provides $329 million of appropriations for grants to States for administration of employment service and unemployment insurance offices.

These grants are presently financed from an earmarked Federal tax which flows through the general budget even though it is not available for general Government purposes. Legislation is proposed to place an amount equal to the proceeds from this tax directly in a trust fund from which the necessary grants can be appropriated, and any balance used as a reserve for employment security and unemployment purposes. The administration of this program would then be financed in the same way as other social insurance programs.

Our unemployment compensation system has again demonstrated its importance in providing income for the unemployed and thereby supporting the economy while alleviating hardship. Temporary assistance of the kind provided by the Temporary Unemployment Compensation Act of 1958 is in no sense a substitute for widening the coverage of unemployment compensation and extending the duration of benefits and increasing benefit amounts under the Federal-State system. I have many times urged such action. I urge it again now with added conviction as a result of last year's experience.

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I am again urging prompt enactment of effective statutory protection for workers and the public from the racketeering, corruption, and abuse of democratic processes which have been disclosed in the affairs of certain labor unions. Additional statutory protection in the field of labor-management relations will likewise be proposed to promote equity and stability in the relations among workers, unions, and employers. I shall make specific proposals in a special message on labor affairs.

Legislation is also recommended to provide equal pay for equal work, to revise the laws relating to hours of work on Federal construction projects, and to extend the coverage of the Fair Labor Standards Act so that several million more workers can receive its protection.

Last year Congress enacted legislation requiring regular reports and public disclosure of the provisions and finances of welfare and pension plans. Every effort is being made in administering the law to protect potential beneficiaries, and amendments to strengthen the basic authority will also be sought. In addition, the Administration recommended and the Congress authorized enforcement of safety codes for longshoremen and harbor workers to overcome certain hazardous conditions in the maritime industry. Supplemental appropriations for administering these new laws are recommended for 1959.

Public health.—Expenditures by the Department of Health, Education, and Welfare for health programs, including those for research and construction of health facilities in fiscal 1960 are estimated at $675 million—more than double the amount 5 years earlier.

Large and rapid increases in outlays for medical research and training by the National Institutes of Health have occurred simultaneously with expansion in related research by other agencies. In 1960, expenditures for such purposes are estimated to increase to $254 million, which is more than three times the amount 5 years ago. The impact of this expanded effort on medical schools and research institutions, as well as its implications for broader policy in education and health programs, requires careful appraisal. The Secretary of Health, Education, and Welfare is completing a review of our long-term objectives in the field of medical research and training. The results of this study in terms of program and costs, including indirect costs, will be made available to the Congress.

Another large component of the health programs consists of construction of hospitals and waste treatment works through grants, and of health research facilities through grants and direct financing. Expenditures in the fiscal year 1960 for these programs are estimated at $186 million, which is $8 million more than in the previous peak year 1959. Proposed new obligational authority has been reduced in

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a manner consistent with the policy outlined earlier in this message relative to public works. For hospital construction, the Congress provided a sharply increased 1959 appropriation for antirecession purposes, a sizable portion of which will be available for obligation in 1960.

The future of our health programs depends on an adequate supply of qualified personnel. Legislation is recommended to extend the programs, which expire on June 30, 1959, for training of professional nurses and for graduate training of public health personnel.

Social security and public assistance.—The Federal Government's responsibility for income maintenance should be mainly discharged through contributory, self-supporting social insurance. Today we have social insurance programs which help protect nearly all our people from loss of income due to old age, permanent disability, or death of the wage earner. The Federal old-age, survivors, and disability insurance system provides basic protection for nearly all workers; military personnel and railroad workers are covered in addition by special Federal systems; and Federal civilian employees are protected by special laws. The growth of the social security program since World War II is indicated below:

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

[Fiscal years]

	1946 actual	*1960 estimate*
Percent of workers covered	60%	90%
Total annual benefits paid out (in millions)	$321	$10, 510
Average monthly number of beneficiaries (in millions)	1. 3	13. 7

Despite this tremendous growth, and despite the primary responsibility of State and local governments for the economic security needs not met by social insurance, Federal expenditures for public assistance grants to States will continue to rise in 1960—chiefly because of the 1958 amendments to the Social Security Act. Legislation raising the Federal matching share or extending Federal participation to new groups has been enacted five times in the last six Congresses. The following table shows the growth in this program in the period since 1946:

PUBLIC ASSISTANCE GRANTS

[Fiscal years]

	1946 actual	*1960 estimate*
Federal expenditures (in millions)	$446	$2, 018
Federal share in total expenditures	44%	57%
Average monthly number of recipients (in millions)	2. 8	5. 7

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Under the authority of recent legislation, an advisory council is being appointed by the Secretary of Health, Education, and Welfare to study the whole structure and financing of our public assistance programs. I have asked the Secretary to present to this council, at the earliest possible time, the issue of what constitutes an appropriate Federal share in these programs. I have also requested him to develop recommendations, after consulting the council, which can be presented to the Congress to increase State and local participation in the cost of the public assistance programs beginning in 1961. In this connection, I believe we must keep in mind the fact that the Federal share of such expenditures has increased to more than 57% on an overall basis and runs as high as 80% in many cases. I believe that this trend is inconsistent with our American system of government. If it continues, the control of these programs will shift from our State and local governments to the Federal Government. We must keep the financing and control of these programs as close as we possibly can to the people who pay the necessary taxes and see them in daily operation.

A basic problem in the public assistance programs is achieving the goal of helping people to help themselves return to self-support. Solution of this problem requires studies into the causes of dependency and its prevention. It also requires better training of local case workers. This budget provides for cooperative work with the States in these two areas.

Other welfare services.—The rehabilitation of disabled people is rewarding in human as well as economic terms. This budget provides additional funds in 1960 for the Federal-State vocational rehabilitation program. It is estimated that services will be provided to 314,000 persons during 1960 and that the number rehabilitated will increase to 90,000.

Additional funds are included for the White House Conference on Children and Youth which I have called for 1960 so that the States, localities, private organizations, and Federal agencies can pool their knowledge of the best ways to meet the needs of our youth. Funds are also included in this budget for the 1961 White House Conference on Aging, which will provide an opportunity for all levels of Government and our many private organizations to find means through which they can contribute to a better life for our 15 million elderly citizens.

Railroad retirement insurance.—The railroad retirement system is a combination social insurance and industrial retirement program operated by the Government but self-financed from employment taxes on railroad workers and carriers. Several legislative steps should be taken to improve this system:

First, it should be placed on a sound actuarial basis. Although it is generally accepted that railroad retirement should be fully self-

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financed, studies made in recent years show that the system is incurring a substantial actuarial deficit. Therefore, taxes on railroad employment should be increased at the earliest possible time, without changing the status of such contributions for Federal income tax purposes.

Second, the wages covered for railroad retirement should be raised from $4,200 to $4,800 annually in line with the 1958 amendments for Federal old-age, survivors, and disability insurance. These two systems have been increasingly coordinated, particularly through the 1946 and 1951 amendments, but were not equally strengthened last year.

Finally, revisions should be made in the law governing Federal payments to the railroad retirement account for time spent by railroad workers in military service. According to the Comptroller General, the Government has already paid to the railroad retirement account an estimated $350 million more than will ever be required for the added cost of benefits resulting from military service previously rendered by railroad workers. Furthermore, the law requires Government contributions of several hundred million dollars on a 10-year installment basis to the old-age, survivors, and disability insurance trust funds for past military service, including the service of railroad workers for whom contributions have already been paid to the railroad retirement fund.

Legislation should be enacted to make the actual added cost of military service credits the basis of payment to the railroad account. This is the method already incorporated in law for military service by railroad workers before 1937 and is also the method specified for noncontributory service credits for old-age, survivors, and disability insurance purposes. Payment on this basis will save taxpayers an estimated $95 million in future appropriations for military service between 1948 and 1954. The past Government overpayments to the railroad system should be transferred to the old-age, survivors, and disability insurance trust funds as the annual installments of Government contributions to those funds become due. By providing the first such installment for 1960, this legislation will make unnecessary an $80 million appropriation from the general fund for that year.

VETERANS' SERVICES AND BENEFITS

The upward trend of expenditures in veterans' programs is expected to halt temporarily in the fiscal year 1960, mainly because declining workloads result in a decrease of $163 million for readjustment programs which have helped so many veterans of World War II and the Korean conflict to become reestablished in civilian life. Expenditures for disability and death compensation, which have increased in the last several years because higher rates were enacted, are expected to decrease somewhat in 1960 as the number of beneficiaries declines.

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However, expenditures for other permanent programs are continuing to increase, primarily because more veterans with disabilities not resulting from their military service are receiving hospital and medical care or pensions. The estimated total expenditures for veterans in 1960 of $5.1 billion are $110 million less than in 1959, and $62 million more than in 1958.

VETERANS' SERVICES AND BENEFITS

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Readjustment benefits:				
Education and training	$699	$619	$490	$481
Loan guaranty and other benefits	92	105	107	107
Unemployment compensation (Department of Labor)	75	44	8	8
Compensation and pensions:				
Service-connected compensation	2,024	2,065	2,043	2,043
Non-service-connected pensions	1,036	1,135	1,203	1,203
Burial expenses and other	44	57	61	61
Hospital and medical care, except construction	823	885	891	896
Hospital construction	33	45	55	20
Insurance and servicemen's indemnities	43	44	49	54
Other services and administration (Veterans Administration and others):				
Present program	156	199	176	177
Proposed legislation	--------	--------	5	5
Total	5,026	5,198	5,088	5,054

[1] Compares with new obligational authority of $5,071 million enacted for 1958 and $5,125 million (including $122 million for anticipated supplemental authorizations) estimated for 1959.

Most of the expenditures for veterans' benefits and services cannot be controlled by ordinary appropriation processes because the eligibility conditions and benefit rates are set by basic legislation, and payments must be made if eligible veterans apply.

This Nation has always shown deep gratitude and provided special benefits and privileges for its war veterans and their dependents, particularly for those veterans killed or disabled as a result of their service and for their widows and children. I am convinced that we will always continue compensation programs which reflect this policy.

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However, I believe that certain of our national policies and legislation governing other veterans programs should be modified. This is particularly true of the benefits provided to veterans and their families for disability or deaths not resulting from or related to military service. With veterans and their families constituting nearly half of our population, the cost of these veterans' benefits is high, and will continue to increase as our veterans advance in age.

Pensions.—We must continue veterans' pensions and increase pension rates for those who are without other resources, particularly if they have families. However, eligibility should be determined according to effective tests of need, both as to income and as to net worth, so that payments will no longer be made where the veteran or his family has adequate resources for basic necessities from other sources. Properly applied, I believe this approach can better serve those who are now in need and at the same time minimize the burden placed on taxpayers by present laws. I have, accordingly, asked the Administrator of Veterans Affairs to present to the Congress legislation both to provide more equitable treatment of needy veterans and to modernize the veterans' pension program in the light of social developments and changes.

Compensation.—Other veterans programs also merit close continuing attention. The Veterans Administrator will expedite and broaden the work underway in the Veterans Administration on revising standards for rating of disabilities. For some of the seriously disabled veterans, whose activities are greatly restricted, increases in compensation rates are warranted. Likewise, improved rehabilitation services should be provided for those few peacetime ex-servicemen with substantial service-connected disabilities.

Hospital and medical care.—This budget includes $891 million of expenditures for hospital and medical care for veterans in 1960. The increase of $6 million from 1959 is provided to improve the staffing and quality of service in the hospitals. Provision is made for hospital and domiciliary care for an average of 140,800 beneficiaries per day.

More than 2 million outpatient treatments or examinations for service-connected disabilities will be provided in 1960.

An appropriation of $20 million is recommended for modernization of hospital and domiciliary facilities; with balances from prior years, this appropriation will permit expenditures of $55 million for construction and modernization.

Administration.—Administrative expenditures associated with veterans programs will be lower in 1960 than in the current year because of declining workloads and increasing efficiency. Funds are provided

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for improving the top management and evaluation activities of the Veterans Administration. The application of modern high-speed automatic equipment to the large volume recordkeeping and clerical operations will be extended. This will produce significant administrative savings in future years.

INTEREST

Interest payments are estimated to rise $495 million to $8.1 billion in the fiscal year 1960. These payments, almost entirely for interest on the public debt, represent more than 10% of budget expenditures.

INTEREST

[Fiscal years. In millions]

Item	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Interest on public debt	$7,607	$7,500	$8,000	$8,000
Interest on refunds of receipts	74	92	87	87
Interest on uninvested funds	8	9	9	9
Total	7,689	7,601	8,096	8,096

Since the spring of 1958, market rates of interest have increased, reflecting the strong recovery of the economy. The rise in market rates requires the Treasury to pay higher interest on securities issued to refinance the heavy volume of maturing Government obligations, a large part of which were issued when interest rates were lower.

In addition to higher interest rates, the amount of interest payments depends on the size and composition of the public debt. It is anticipated that the public debt will reach $285 billion by the end of the fiscal year 1959. On the basis of the balanced budget I am presenting, the debt will be no higher at the end of 1960, although there will be a substantial temporary increase during the year.

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GENERAL GOVERNMENT

Expenditures for general government activities are estimated at $1.7 billion in 1960, an increase of $62 million from 1959, primarily because of the volume of construction of Government office buildings started in earlier years, including the new office building for the House of Representatives.

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1960
	1958 actual	1959 estimate	1960 estimate	
Legislative functions	$88	$104	$136	$92
Judicial functions	44	49	51	51
Executive direction	10	13	13	13
Federal financial management	502	566	563	566
General property and records management	239	343	373	258
Central personnel management and employment costs	140	215	211	215
Civilian weather services	39	49	51	52
Protective services and alien control	199	217	219	221
Territories and possessions and the District of Columbia	73	94	98	128
Other general government:				
Present programs	20	25	9	9
Proposed legislation for Alaska	-------	-------	10	10
Total	1, 356	1, 673	1, 735	[1] 1, 617

[1] Compares with new obligational authority of $1,417 million enacted for 1958 and $1,799 million (including $157 million for anticipated supplemental authorizations) estimated for 1959.

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General property and records management.—Initiation of new construction is being deferred in the fiscal year 1960 and no funds are recommended for starting new general office buildings. In 1959, a total of $208 million new obligational authority was enacted for this purpose. Hence, expenditures in 1960 for Government office buildings started in prior years will increase sharply.

Central personnel management.—The public interest requires a comprehensive analysis and modernization of Federal pay policies and systems. The salary and benefit systems for Federal civilian employees should combine the best practices of progressive private employers with the special needs of the Government. Government policy should promote efficiency, maintain a clear relationship at all levels between pay and work performed, and assure compensation reasonably comparable with that in private employment. Although some progress has been made in recent years, the present system falls far short of meeting these objectives. Accordingly, I again urge the Congress to establish a Joint Commission on Civilian Employee Compensation in the Federal Government.

Statehood for Hawaii and home rule for District of Columbia.—I again recommend that the Congress enact legislation to admit Hawaii into the Union as a State, and to grant home rule to the District of Columbia. It would be unconscionable if either of these actions were delayed any longer.

Alaska.—I am highly gratified to be the first President in 47 years to have had the privilege of welcoming a new State into the Union. Alaska takes its place as the equal of the other 48 States with both the privileges and the responsibilities that go with statehood. Recommendations will be transmitted to the Congress concerning certain changes needed in Federal law as a result of Alaska's admission to the Union in order to apply to Alaska the same general laws, rules, and policies as are applicable to other States.

The size of the new State, its geographic location, present Federal ownership of 99% of the land area, and Federal administration of services provided elsewhere by private enterprise and State and local governments create problems not previously encountered when new States were admitted into the Union. Furthermore, some time will elapse before Alaska can benefit fully from the revenues to be derived

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from public lands and other resources to be made available to the State by the Statehood Act. The Federal Government is cooperating with Alaska in developing constructive solutions to these transitional problems.

In the long-run interest of both the State and the Nation, the Federal Government should not continue special programs in Alaska which, in other States, are the responsibility of State and local governments or of private enterprise. The Federal Government should provide such financial assistance as is necessary to facilitate transfer to the State of such programs as highway construction and maintenance, airport operations, and public health services. Therefore, legislation will be proposed to authorize the payment of transitional grants to the State of Alaska in an amount not to exceed $10.5 million for the fiscal year 1960 and in declining amounts for the subsequent four years. Under the proposed legislation Alaska could choose between receiving the entire transitional grant or requesting that a portion be used for financing continued Federal operations during an interim period.

Expenditures for the transitional grants to Alaska will be largely offset by the elimination of existing special Federal programs in Alaska. Alaska will, of course, be eligible to participate in regular Federal grant-in-aid programs on a comparable basis with the other States.

Other recommendations for legislation.—The last Congress enacted legislation to cover some of my most urgent proposals for amending the immigration laws. Legislation on the remaining proposals should be promptly enacted, and the expiring authority to issue visas to certain orphans and to aliens afflicted with tuberculosis should be extended.

I also recommend that the Congress direct special attention to the creation of additional Federal judgeships as proposed by the Judicial Conference, and the strengthening of Federal laws against organized crime.

To permit further timely improvements in the structure of the executive branch of the Government, I recommend that the Congress extend the Reorganization Act of 1949, as amended, which is effective only until June 1, 1959.

I again recommend that the President be authorized to make awards for distinguished civilian achievement.

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CONCLUSION

This budget charts the course our Government should take as we embark on the decade of the 1960's. Since the end of World War II, the pace of achievement and universal change has quickened with each successive year, sharpening the need for adjustments in the relations of peoples and nations to each other. In the decade facing us, the challenges to representative government will be no less than in the past; indeed, the tasks which are certain to be laid upon the executive, legislative, and judicial branches will require from each increasing vision, understanding, and wisdom.

This budget is designed to serve the needs of the Nation as a whole as effectively as possible. It rejects the philosophy that the national welfare is best served by satisfying every demand for Federal expenditures.

Our objective, as a free Nation, must be to prepare for the momentous decade ahead by entering the fiscal year 1960 with a world at peace, and with a strong and free economy as the prerequisite for healthy growth in the years to follow. This can be achieved through Government actions which help foster private economic recovery and development, and which restrain the forces that would drive prices higher, and thereby cheapen our money and erode our personal savings. The first step is to avoid a budget deficit by having the Government live within its means, especially during prosperous, peacetime periods.

The 1960 budget reflects our determination to do this.

DWIGHT D. EISENHOWER.

JANUARY 19, 1959.

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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 1960

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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. Legislation will be proposed this year to establish five new public enterprise funds. 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. However, interest paid to Treasury by such funds is considered a cost of the fund and is therefore not eliminated.

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 contingencies" to cover items which cannot be foreseen now but which may be transmitted later if the need arises. Congressional action upon this allowance may be requested later, not at a single time nor as a single lumpsum item, but in the form of a number of specific appropriations for individual items.

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 1960; 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 13-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*, 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	1958 actual	1959 estimate			1960 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	**$34, 724**	$36, 900	----------	**$36, 900**	$40, 700	----------	**$40, 700**
Corporation income taxes	**20, 074**	17, 000	----------	**17, 000**	20, 448	$1, 000	**21, 448**
Excise taxes	**8, 612**	8, 467	----------	**8, 467**	7, 841	1, 104	**8, 945**
Employment taxes	**333**	328	----------	**328**	340	----------	**340**
Estate and gift taxes	**1, 393**	1, 365	----------	**1, 365**	1, 415	----------	**1, 415**
Customs	**782**	840	----------	**840**	900	----------	**900**
Miscellaneous budget receipts	**3, 200**	3, 100	----------	**3, 100**	3, 337	15	**3, 352**
Budget receipts	**69, 117**	68, 000	----------	**68, 000**	74, 981	**2, 119**	**77, 100**
BUDGET EXPENDITURES (special analysis C):							
Major national security	**44, 142**	45, 842	$278	**46, 120**	45, 134	671	**45, 805**
International affairs and finance	**2, 234**	2, 293	1, 415	**3, 708**	1, 498	631	**2, 129**
Veterans' services and benefits	**5, 026**	5, 079	119	**5, 198**	5, 080	8	**5, 088**
Labor and welfare	**3, 447**	4, 150	230	**4, 380**	4, 092	37	**4, 129**
Agriculture and agricultural resources	**4, 389**	6, 753	22	**6, 775**	5, 863	132	**5, 996**
Natural resources	**1, 543**	1, 669	39	**1, 708**	1, 683	27	**1, 710**
Commerce and housing	**2, 109**	3, 135	374	**3, 509**	2, 454	[2] −210	**2, 243**
General government	**1, 356**	1, 531	142	**1, 673**	1, 713	22	**1, 735**
Interest	**7, 689**	7, 601	[1]	**7, 601**	8, 096	[1]	**8, 096**
Allowance for contingencies	----------	----------	200	**200**	----------	100	**100**
Budget expenditures	**71, 936**	78, 053	2, 818	**80, 871**	75, 612	1, 418	**77, 030**
Budget surplus (+) or deficit (−)	**−2, 819**	----------	----------	**−12, 871**	----------	----------	**+70**

[1] Less than one-half million dollars.

[2] Includes proposed postal rate increases of $350 million.

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TABLE 2

SUMMARY OF BUDGET EXPENDITURES

BY AGENCY

[In millions]

Description	1958 actual	1959 estimate			1960 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	**$99**	$114	$5	**$119**	$151	$1	**$152**
The judiciary	**44**	48	1	**49**	49	2	**51**
Executive Office of the President	**75**	67	3	**70**	65	10	**75**
Funds appropriated to the President:							
Mutual security	**3, 611**	3, 881	----------	**3, 881**	2, 627	871	**3, 498**
Other	**470**	311	----------	**311**	111	136	**247**
Independent Offices:							
Atomic Energy Commission	**2, 268**	2, 630	----------	**2, 630**	2, 717	28	**2, 745**
Veterans Administration	**5, 098**	5, 168	119	**5, 286**	5, 193	−25	**5, 168**
Other	**1, 194**	1, 477	63	**1, 540**	1, 357	173	**1, 531**
General Services Administration	**425**	406	22	**428**	411	1	**411**
Housing and Home Finance Agency	**199**	1, 057	7	**1, 064**	317	[1]	**318**
Department of Agriculture	**4, 875**	7, 309	32	**7, 341**	6, 315	135	**6, 450**
Department of Commerce	**327**	399	20	**418**	465	11	**476**
Department of Defense—Military Functions	**39, 062**	40, 522	278	**40, 800**	40, 677	268	**40, 945**
Department of Defense—Civil Functions	**733**	767	3	**769**	850	3	**853**
Department of Health, Education, and Welfare	**2, 645**	2, 835	216	**3, 051**	3, 104	36	**3, 140**
Department of the Interior	**666**	782	27	**809**	752	5	**757**
Department of Justice	**229**	233	19	**252**	258	1	**259**
Department of Labor	**567**	964	43	**1, 007**	560	2	**562**
Post Office Department	**674**	459	293	**752**	459	[2]−350	**109**
Department of State	**206**	239	37	**277**	236	7	**243**
Treasury Department	**8, 446**	8, 357	1, 421	**9, 778**	8, 897	3	**8, 900**
District of Columbia	**25**	29	9	**38**	42	----------	**42**
Allowance for contingencies	----------	----------	200	**200**	----------	100	**100**
Budget expenditures	**71, 936**	78, 053	2, 818	**80, 871**	75, 612	1, 418	**77, 030**

[1] Less than one-half million dollars.

[2] Proposed postal rate increases.

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TABLE 3

SUMMARY OF NEW OBLIGATIONAL AUTHORITY

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In millions]

Description	1958 enacted	1959 estimate			1960 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
BY FUNCTION							
Major national security	**$40, 448**	$45, 085	$619	**$45, 704**	$41, 909	$3, 313	**$45, 222**
International affairs and finance	**3, 983**	2, 124	4, 945	**7, 070**	472	2, 337	**2, 809**
Veterans' services and benefits	**5, 071**	5, 003	122	**5, 125**	5, 049	5	**5, 054**
Labor and welfare	**4, 161**	3, 884	273	**4, 158**	4, 196	----------	**4, 196**
Agriculture and agricultural resources	**6, 257**	4, 173	1, 241	**5, 414**	4, 490	575	**5, 065**
Natural resources	**1, 456**	1, 700	243	**1, 943**	1, 741	3	**1, 744**
Commerce and housing	**5, 863**	2, 495	715	**3, 210**	2, 360	[2] 520	**2, 880**
General government	**1, 417**	1, 642	157	**1, 799**	1, 606	11	**1, 617**
Interest	**7, 689**	7, 601	[1]	**7, 601**	8, 096	----------	**8, 096**
Allowance for contingencies	----------	----------	400	**400**	----------	125	**125**
Total new obligational authority	**76, 345**	73, 707	8, 715	**82, 423**	69, 918	6, 888	**76, 807**
BY AGENCY							
Legislative branch	**101**	108	11	**119**	110	----------	**110**
The judiciary	**44**	45	3	**48**	51	----------	**51**
Executive Office of the President	**51**	55	4	**58**	85	12	**97**
Funds appropriated to the President:							
Mutual security	**2, 764**	3, 291	225	**3, 516**	----------	3, 930	**3, 930**
Other	**41**	13	325	**338**	8	10	**19**
Independent offices:							
Atomic Energy Commission	**2, 362**	2, 723	----------	**2, 723**	2, 622	150	**2, 772**
Veterans Administration	**5, 035**	5, 100	121	**5, 222**	5, 180	5	**5, 185**
Other	**3, 055**	1, 570	303	**1, 873**	1, 310	554	**1, 864**
General Services Administration	**269**	475	22	**498**	258	----------	**258**
Housing and Home Finance Agency	**3, 666**	242	307	**549**	155	252	**408**
Department of Agriculture	**6, 796**	4, 544	1, 373	**5, 917**	4, 939	575	**5, 514**
Department of Commerce	**284**	453	20	**474**	504	55	**559**
Department of Defense—Military Functions	**36, 747**	40, 843	294	**41, 138**	39, 287	1, 563	**40, 850**
Department of Defense—Civil Functions	**668**	859	13	**872**	902	----------	**902**
Department of Health, Education, and Welfare	**2, 749**	2, 970	258	**3, 228**	3, 176	----------	**3, 176**
Department of the Interior	**664**	772	31	**803**	745	----------	**745**
Department of Justice	**235**	233	20	**253**	275	----------	**275**
Department of Labor	**1, 182**	556	45	**601**	570	----------	**570**
Post Office Department	**908**	265	293	**558**	522	[2] −350	**172**
Department of State	**213**	213	38	**251**	231	7	**238**
Treasury Department	**8, 480**	8, 348	4, 599	**12, 948**	8, 916	----------	**8, 916**
District of Columbia	**32**	28	9	**37**	70	----------	**70**
Allowance for contingencies	----------	----------	400	**400**	----------	125	**125**
Total new obligational authority	**76, 345**	73, 707	8, 715	**82, 423**	69, 918	6, 888	**76, 807**

[1] Less than one-half million dollars.

[2] Includes proposed postal rate increases of $350 million.

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TABLE 4

SUMMARY OF CHANGES IN STATUS OF PUBLIC DEBT

[In millions]

Description	1958 actual	1959 estimate	1960 estimate
EFFECT OF OPERATIONS ON CASH BALANCES AND PUBLIC DEBT			
Effect of operations on cash balances:			
Budget surplus or deficit (−)	−$2,819	−$12,871	$70
Trust fund operations, increase or decrease (−) in cash balances (table 10)	496	−551	−107
Public enterprise debt and investment transactions, net (special analysis K)	137	−83	−75
Increase in outstanding checks, deposits in transit, and similar items	670	177	112
Total effect of operations on cash balances	−1,517	−13,328	
Cash balances at start of year:			
In Treasury	5,590	9,749	5,400
Outside Treasury	883	1,023	700
Cash position resulting from operations	4,956	−2,557	6,100
Less cash balances at close of year:			
In Treasury	9,749	5,400	5,400
Outside Treasury	1,023	700	700
Increase (−) in public debt	−5,816	−8,657	
Public debt at start of year	$270,527	$276,343	$285,000
Increase in public debt	5,816	8,657	
Public debt at close of year	276,343	285,000	285,000
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION			
Public debt at close of year	$276,343	$285,000	$285,000
Plus guaranteed obligations of Government agencies not owned by Treasury	101	104	95
Less debt not subject to statutory limitation	431	425	425
Debt subject to statutory limitation	276,013	284,679	284,670
Statutory limitation on debt at close of year	280,000	[1] 283,000	(1)
Maximum statutory limitation on debt during year	280,000	288,000	(1)

[1] Increases are being recommended in statutory debt limitations as outlined in the budget message.

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TABLE 5

SUMMARY OF BUDGET AND TRUST TRANSACTIONS FOR FISCAL YEAR 1960

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	$40,700			$40,700
Corporation income taxes	21,448			21,448
Excise taxes	8,945	$2,906		11,851
Employment taxes	340	10,791		11,131
Estate and gift taxes	1,415			1,415
Customs	900			900
Miscellaneous budget and trust receipts	3,352	6,780	−$4,075	6,057
Total receipts	77,100	20,477	−4,075	93,502
EXPENDITURES				
Major national security	45,805	164	−54	45,914
International affairs and finance	2,129	14	−44	2,099
Veterans' services and benefits	5,088	666	−13	5,742
Labor and welfare	4,129	15,344	−417	19,056
Agriculture and agricultural resources	5,996	22	−143	5,875
Natural resources	1,710	29	−3	1,735
Commerce and housing	2,243	3,624	−288	5,579
General government	1,735	395	−47	2,082
Interest	8,096	(1)	−1,847	6,250
Allowance for contingencies	100			100
Undistributed		2	−1,558	−1,556
Total expenditures	77,030	20,259	−4,413	92,875
Excess of receipts over expenditures	70	218	338	626

[1] Less than one-half million dollars.

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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 for the making of expenditures. 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 outstanding 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, 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 is usually the material listed above, together with three additional schedules, covering (5) the sources and application of funds; (6) revenue, expense, and retained earnings; and (7) financial condition. For some intragovernmental revolving funds the program and financing schedule is omitted.

APPROPRIATION LANGUAGE

The language proposed for inclusion in the 1960 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 1959 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:

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; [$275,000] *$3,000,000*, to remain available until [June 30, 1961] *expended*: *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; P. L. 726 (72 Stat. 783, sec. 803), 85th Congress; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$1,575,000** Estimate 1960, **$3,000,000**

[a] Includes $1,300,000 appropriated in Supplemental Appropriation Act, 1959.

Roman type shows the text used in the 1959 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 classified by purpose, program, or project. This classification, 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 three of the possible entries are illustrated here:

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Upper-air observational facilities	$35,290	$96,200	$1,261,920
2. Weather surveillance radar	317,890	454,250	478,565
3. Surface observational facilities	379,968	218,990	613,220
4. Construction of facilities in Alaska	311,553	275,000	170,000
5. Hurricane and tornado research equipment		1,300,000	
6. Engineering and technical support	217,719	152,220	165,326
Total obligations	1,262,420	2,496,660	2,689,031
Financing:			
Unobligated balance brought forward	−2,031,780	−1,369,360	−447,700
Unobligated balance carried forward	1,369,360	447,700	758,669
Appropriation (new obligational authority)	600,000	1,575,000	3,000,000

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.

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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Trainee expense	$5,478,434	$7,930,670	$8,530,430
2. Operation of training facilities	3,043,946	3,462,590	3,460,360
3. Construction of training facilities	1,567,375	567,870	120,590
4. Administration	1,550,938	3,038,870	2,888,620
Total program costs	11,640,693	15,000,000	15,000,000
5. Unfunded adjustment to program costs: Property or services transferred in (−) without charge, net	−50,513		
Total program costs, funded	11,590,180	15,000,000	15,000,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	849,487		
Total program (obligations)	12,439,667	15,000,000	15,000,000

In those cases where the program is principally for procurement or public works, additional columns are often shown to make a more complete presentation. Where there is an accrued expenditure limitation there are additional entries to show the relation of costs to accrued expenditures and the relation of accrued expenditures to obligations. 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 which follows. A typical table is as follows:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order: Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$382,592	$1,044,995	$1,044,995	$1,044,995
Advances (payment for goods and services on order not yet received)	102,168	265,251	265,251	265,251
Total selected resources at end of year	484,760	1,310,246	1,310,246	1,310,246
Selected resources at start of year (−)		−484,760	−1,310,246	−1,310,246
Adjustment of selected resources reported at start of year		24,001		
Obligations incurred for costs of other years (net)		849,487		

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.

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

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	29	23	23
	Average number of all employees	25	16	16
	Number of employees at end of year	23	14	15
	Average GS grade and salary	7.7 $5,585	8.1 $6,278	8.2 $6,331
01	Personal services:			
	Permanent positions	$166,764	$114,000	$120,289
	Other personal services	13,007	8,100	13,702
	Total personal services	179,771	122,100	133,991
02	Travel	23,480	20,850	20,950
03	Transportation of things	14,988	109,190	50,835
04	Communication services	186		375
05	Rents and utility services	4,151		
07	Other contractual services	51,831	1,877,650	328,065
08	Supplies and materials	165,621	47,000	59,325
09	Equipment	493,315	312,000	1,839,285
10	Lands and structures	318,313		247,420
11	Grants, subsidies, and contributions	10,678	7,780	8,705
15	Taxes and assessments	86	90	80
	Total obligations	1,262,420	2,496,660	2,689,031

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, equal budget expenditures on a checks-issued basis, as in the following example:

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$55,996	$50,000	$50,000
Expense	3,195,834	3,620,000	3,619,300
Total gross expenditures	3,251,830	3,670,000	3,669,300
Receipts from operations (funds provided):			
Revenue	3,192,676	5,071,800	5,466,800
Decrease in selected working capital	545,422	659,219	
Total receipts from operations	3,738,098	5,731,019	5,466,800
Budget expenditures	−486,268	−2,061,019	−1,797,500

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

Revenue	$3,192,676	$5,071,800	$5,466,800
Expense	3,216,150	3,646,224	3,650,524
Net operating income or loss (−) for the year	−23,474	1,425,576	1,816,276
Analysis of retained earnings:			
Retained earnings, beginning of year	876,072	852,598	598,174
Transferred to "Salaries and expenses, Mexican farm labor program":			
Authorized		−1,550,000	−1,336,700
Proposed for pay increases		−130,000	
Retained earnings, end of year	852,598	598,174	1,077,750

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

Assets:			
Cash with Treasury	$1,397,479	$1,778,498	$2,239,298
Accounts receivable	146	500	500
Land, structures, and equipment, net	216,260	240,036	258,812
Deferred charges	30,838	30,000	30,000
Total assets	1,644,723	2,049,034	2,528,610
Liabilities:			
Current	575,865	1,234,600	1,234,600
Government investment:			
Non-interest-bearing capital:			
Start of year		216,260	216,260
Capitalization of assets during year	216,260		
End of year	216,260	216,260	216,260
Retained earnings	852,598	598,174	1,077,750
Total Government investment	1,068,858	814,434	1,294,010

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

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$911,211	$1,397,479	$1,778,498	$2,239,298
Obligated balance, net:				
Current liabilities	514,955	575,865	1,234,600	1,234,600
Unpaid undelivered orders	25,000	146,821	125,000	125,000
Accounts receivable (−)	−541	−146	−500	−500
Total obligated balance	539,414	722,540	1,359,100	1,359,100
Unobligated balance	371,797	674,939	419,398	880,198

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TABLE 6

SUMMARY OF BUDGET AUTHORIZATIONS, OBLIGATIONS, EXPENDITURES, AND BALANCES

Based on existing and proposed legislation

[In millions]

Description	1958 enacted	1959 estimate	1960 estimate
Current authorizations:			
Appropriations	$61,761	$67,860	$67,229
Appropriations to liquidate contract authorizations	(132)	(206)	(248)
Authorizations to expend from debt receipts	5,674	5,897	392
Contract authorizations	37	137	346
Reappropriations	171	96	48
Total current authorizations	67,642	73,990	68,014
Permanent authorizations:			
Appropriations	8,156	8,009	8,593
Authorizations to expend from debt receipts	50	157	150
Contract authorizations	496	267	49
Total permanent authorizations	8,702	8,432	8,793
Total new obligational authority	76,345	82,423	76,807
Unobligated balances brought forward, start of year	33,532	34,966	31,681
Appropriation available in prior year (−)	−353	−517	−523
Appropriation available from subsequent year	517	523	523
Unobligated balances carried forward, end of year (−)	−34,966	−31,681	−29,494
Balances no longer available for obligation (−)	−1,187	−813	−830
Obligations incurred, net	73,892	84,904	78,161
Obligated balances brought forward, start of year	35,344	37,084	41,075
Adjustment of obligations in expired accounts	−211	−36	−3
Obligated balances carried forward, end of year (−)	−37,084	−41,075	−42,207
Budget expenditures	71,936	80,871	77,030
Expenditures are distributed as follows:			
Out of new obligational authority	71,936	80,871	51,708
Out of balances of prior authorizations			25,322

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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	1958 enacted	1959 estimate			1960 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
CURRENT AUTHORIZATIONS							
Appropriations:							
Legislative branch	$98	$102	$11	$113	$110		$110
The judiciary	44	45	3	48	51		51
Executive Office of the President	51	55	4	58	85	$12	97
Funds appropriated to the President:							
Mutual security	2,764	3,291	225	3,516		3,930	3,930
Other	41	13		13	8	10	19
Independent offices:							
Atomic Energy Commission	2,324	2,645		2,645	2,604	150	2,754
Veterans Administration	4,985	4,950	121	5,071	5,029	5	5,034
Other	955	1,502	103	1,605	1,305	488	1,793
General Services Administration	268	474	22	497	257		257
Housing and Home Finance Agency	125	138	7	145	155	2	158
Department of Agriculture	6,027	3,616	1,373	4,989	4,189	575	4,764
Department of Commerce	181	417	20	438	502	55	557
Department of Defense—Military Functions	36,673	40,835	294	41,129	39,248	1,563	40,811
Department of Defense—Civil Functions	666	857	13	870	900		900
Department of Health, Education, and Welfare	2,736	2,960	258	3,218	3,166		3,166
Department of the Interior	529	608	31	638	592		592
Department of Justice	235	233	20	253	275		275
Department of Labor	1,182	556	45	601	570		570
Post Office Department	908	265	293	558	522	[2] −350	172
Department of State	211	210	38	248	228	7	236
Treasury Department	727	722	49	771	789		789
District of Columbia	32	28	9	37	70		70
Allowance for contingencies			400	400		125	125
Total appropriations	61,761	64,521	3,340	67,860	60,656	6,573	67,229
Appropriations to liquidate prior contract authorizations:							
Legislative branch	(10)	(23)		(23)	(22)		(22)
Independent offices: Other	(25)	(30)		(30)	(50)		(50)
Housing and Home Finance Agency		(50)		(50)	(100)		(100)
Department of Agriculture	(24)	(26)		(26)	(24)		(24)
Department of Commerce	(28)	(33)		(33)	(1)		(1)
Department of Health, Education, and Welfare	(1)	(1)		(1)	(1)		(1)
Department of the Interior	(43)	(42)	(1)	(43)	(49)		(49)
Total authorizations to liquidate prior contract authorizations	(132)	(205)	(1)	(206)	(248)		(248)
Authorizations to expend from debt receipts:							
Funds appropriated to the President: Other			325	325			
Independent offices: Other	2,035	2	200	202	4		4
Housing and Home Finance Agency	3,190		200	200			
Department of Agriculture	448	619		619	388		388
Department of the Interior			1	1			
Treasury Department			4,550	4,550			
Total authorizations to expend from debt receipts	5,674	622	5,276	5,897	392		392
Contract authorizations:							
Legislative branch	3	6		6			
Independent offices: Other						65	65
Housing and Home Finance Agency			100	100		250	250
Department of Agriculture	32	30		30	30		30
Department of Health, Education, and Welfare	2	1		1	1		1
Total contract authorizations	37	37	100	137	31	315	346
Reappropriations:							
Legislative branch	[1]	[1]		[1]			
Independent offices:							
Atomic Energy Commission	38	78		78	18		18
Other	[1]	[1]		[1]			
Department of Agriculture	[1]	17		17			
Department of Commerce	65	[1]		[1]			
Department of Defense—Military Functions	65				30		30

[1] Less than one-half million dollars.

[2] Proposed postal rate increases.

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TABLE 7—Continued

SUMMARY OF NEW OBLIGATIONAL AUTHORITY—Continued

BY TYPE OF AUTHORIZATION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1958 enacted	1959 estimate			1960 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
CURRENT AUTHORIZATIONS—Continued							
Reappropriations—Continued							
Department of Health, Education, and Welfare	$1	(1)		(1)			
Department of the Interior	(1)	(1)		(1)			
Total reappropriations	171	$96		$96	$48		$48
Total current authorizations	67,642	65,275	$8,715	73,990	61,126	$6,888	68,014
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	289	258		258	333		333
Department of Defense—Military Functions	8	9		9	9		9
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	89	97		97	106		106
Department of Justice		(1)		(1)			
Department of State	3	3		3	3		3
Treasury Department	7,752	7,626		7,626	8,128		8,128
Total appropriations	8,156	8,009		8,009	8,593		8,593
Authorizations to expend from debt receipts:							
Independent offices: Veterans Administration	50	150		150	150		150
Housing and Home Finance Agency		4		4			
Department of Agriculture		3		3			
Total authorizations to expend from debt receipts	50	157		157	150		150
Contract authorizations:							
Independent offices: Other	63	63		63			
Housing and Home Finance Agency	351	101		101			
Department of Commerce	38	36		36	3		3
Department of the Interior	44	67		67	47		47
Total contract authorizations	496	267		267	49		49
Total permanent authorizations	8,702	8,432		8,432	8,793		8,793
Total new obligational authority	76,345	73,707	8,715	82,423	69,918	6,888	76,807

[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	1958 actual		1959 estimate		1960 estimate		1961 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT								
Appropriations:								
Legislative branch	$36	$18	$34	$19	$47	$4	$20	$1
The judiciary	3		3		1		3	
Executive Office of the President	59	23	37	17	41	(1)	62	
Funds appropriated to the President:								
Mutual security	3,109	764	2,791	231	2,913	158	1,531	15
Other	13	17	11	28	15	13	15	(1)
Independent offices:								
Atomic Energy Commission	976	308	1,079	223	1,365	11	1,281	
Veterans Administration	90	175	145	149	145	64	148	24
Other	300	157	396	146	680	119	624	87
General Services Administration	257	223	148	169	276	109	171	55
Housing and Home Finance Agency	2	2	3	1	4		1	
Department of Agriculture	112	330	136	341	190	314	224	303
Department of Commerce	125	221	197	88	288	30	323	24
Department of Defense—Military Functions	24,131	10,869	23,798	7,905	24,536	6,567	23,975	4,704
Department of Defense—Civil Functions	165	157	144	114	258	98	369	40
Department of Health, Education, and Welfare	623	142	788	151	1,021	109	1,137	66
Department of the Interior	173	80	199	50	199	19	194	12
Department of Justice	13	1	20	1	15	(1)	21	8
Department of Labor	5	3	8	618	11		21	
Department of State	75	17	84	13	64	5	63	1
Treasury Department	70	16	106	5	92	1	109	1
District of Columbia		38		45		45		73
Total appropriations	30,337	13,561	30,127	10,314	32,161	7,666	30,292	5,414
Authorizations to expend from debt receipts:								
Funds appropriated to the President:								
Mutual security	94	105	92	108	137	63	177	22
Other	213	593	198	179	89			
Independent offices:								
Veterans Administration	49	203	46	97	48	101	49	118
Other	1,312	6,833	1,291	8,009	1,589	7,418	1,660	7,320
Housing and Home Finance Agency	1,702	3,747	2,791	5,524	3,095	4,047	2,191	4,190
Department of Agriculture	1,317	1,204	1,313	2,929	1,359	1,321	841	336
Treasury Department	3	2,786	3	2,787	3	2,787	2	2,787
Total authorizations to expend from debt receipts	4,690	15,471	5,734	19,633	6,320	15,737	4,920	14,773
Contract authorizations:								
Legislative branch		111	1	102	38	24	22	17
Independent offices: Other	17	59	56	58	89	58	69	28
Housing and Home Finance Agency	104	639	266	828	491	654	566	479
Department of Agriculture		27	19	27	15	30	15	36
Department of Commerce	20	37	19	41	29	34	2	
Department of Health, Education, and Welfare	1	1	1	1	1	1	1	1
Department of the Interior	7	48	25	31	16	63	16	60
Total contract authorizations	149	922	387	1,088	679	864	691	621
Revolving and management funds:								
Legislative branch	(1)	14	1	16	4	11	2	11
Executive Office of the President	1	4	(1)	1	(1)	1	(1)	1
Funds appropriated to the President:								
Mutual security	2		3		4		6	
Other	35		23		22		22	
Independent offices:								
Atomic Energy Commission	(1)	(1)		(1)		(1)		1
Veterans Administration	20	31	39	41	20	57	19	64
Other	111	416	101	447	115	479	135	541
General Services Administration	−1	52	24	26	(1)	44	12	31
Housing and Home Finance Agency	225	484	201	552	171	620	166	729
Department of Agriculture	43	64	30	67	24	80	25	89
Department of Commerce	(1)	18	−2	29	2	29	(1)	31
Department of Defense—Military Functions	−501	2,413	−58	2,672	871	1,897	1,089	1,604
Department of Defense—Civil Functions	19	11	26	2	20	1	18	4
Department of Health, Education, and Welfare	1	1	2	1	2	1	2	1
Department of the Interior	11	35	11	28	15	17	25	13

[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	1958 actual		1959 estimate		1960 estimate		1961 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 Justice	−$7	$11	−$13	$18	−$13	$17	−$13	$17
Department of Labor	1	(1)	1	1	1	(1)	1	1
Post Office Department	195	17	434	27	225	22	288	14
Department of State	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Treasury Department	13	7	13	3	11	(1)	11	−1
Total revolving and management funds	168	3,578	836	3,931	1,494	3,276	1,808	3,151
Total balances of authorizations enacted or recommended in this document	35,344	33,532	37,084	34,966	40,654	27,543	37,711	23,959
BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION								
Appropriations:								
Legislative branch					5		4	
The judiciary					2			
Executive Office of the President					1		2	
Funds appropriated to the President: Mutual security						225	2,001	348
Independent offices:								
Atomic Energy Commission							122	
Veterans Administration					3			
Other					40	(1)	373	(1)
General Services Administration					(1)	(1)		(1)
Housing and Home Finance Agency					(1)		2	
Department of Agriculture					4		444	
Department of Commerce					1		6	39
Department of Defense—Military Functions					16		755	1,492
Department of Defense—Civil Functions					(1)	10	5	2
Department of Health, Education, and Welfare					42		6	
Department of the Interior					5		(1)	
Department of Justice					1			
Department of Labor					2			
Department of State					1		1	
Treasury Department					3			
Allowance for contingencies					200		225	
Total appropriations					326	235	3,946	1,881
Authorizations to expend from debt receipts:								
Funds appropriated to the President: Other					57	268	104	96
Independent offices:								
Veterans Administration								33
Other					38	160	101	80
Housing and Home Finance Agency						200	200	
Treasury Department						3,175		3,175
Total authorizations to expend from debt receipts					95	3,803	405	3,384
Contract authorizations:								
Independent offices: Other							45	20
Housing and Home Finance Agency						100	100	250
Total contract authorizations						100	145	270
Total balances of authorizations proposed for later transmission					421	4,138	4,496	5,535
Total balances available at start of year	35,344	33,532	37,084	34,966	41,075	31,681	42,207	29,494
RECAPITULATION								
Appropriations	$30,337	$13,561	$30,127	$10,314	$32,487	$7,901	$34,238	$7,295
Authorizations to expend from debt receipts	4,690	15,471	5,734	19,633	6,415	19,540	5,325	18,157
Contract authorizations	149	922	387	1,088	679	964	836	891
Revolving and management funds	168	3,578	836	3,931	1,494	3,276	1,808	3,151
Total balances available at start of year	35,344	33,532	37,084	34,966	41,075	31,681	42,207	29,494

[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		
	1958	1959	1960	1958	1959	1960	1958	1959	1960
Enacted or recommended in this document:									
Executive Office of the President	$1	$1	$1	$1	$1	$1			
Funds appropriated to the President:									
Mutual security	2	129	168	1	6	15	$1	$124	$153
Other	580	347	124	139	59	34	441	288	90
Independent offices:									
Veterans Administration	270	285	289	125	150	162	145	134	127
Other	1,368	1,423	1,490	906	994	1,368	463	430	122
General Services Administration	4	3	2	7	6	5	−3	−3	−3
Housing and Home Finance Agency	1,660	2,574	2,347	1,470	1,529	2,043	190	1,046	304
Department of Agriculture	4,918	6,663	6,278	2,326	1,956	2,056	2,591	4,707	4,221
Department of Commerce	24	9	6	29	13	9	−5	−4	−3
Department of Defense—Military Functions	60	95	104	22	53	63	39	42	42
Department of Defense—Civil Functions	110	117	96	103	107	102	7	10	−6
Department of Health, Education, and Welfare	3	4	4	3	4	4			
Department of the Interior	75	111	121	34	37	48	40	74	72
Department of Labor	3	4	4	4	6	5		−2	−2
Post Office Department	3,495	3,632	3,965	2,821	3,173	3,678	674	459	287
Treasury Department	4			15	7	4	−11	−7	−4
Total	12,576	15,395	14,999	8,004	8,099	9,598	4,572	7,295	5,400
Proposed for later transmission:									
Funds appropriated to the President:									
Mutual Security			26			1			25
Other			125						125
Independent offices:									
Veterans Administration			−33						−33
Other		2	18					2	18
Housing and Home Finance Agency		6						6	
Department of Agriculture			131						131
Department of the Interior			1						1
Post Office Department		293			171	350		122	−350
Total		300	268		171	351		129	−83
Grand total	12,576	15,695	15,266	8,004	8,271	9,949	4,572	7,424	5,317

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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

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Labor and welfare:						
215 Promotion of science, research, libraries, and museums	$9,340	$10,945	$11,203	$9,249	$11,326	$10,981
217 Other welfare services and administration	1,206	1,368	1,619	1,160	1,446	1,549
Total, labor and welfare	10,546	12,313	12,822	10,409	12,772	12,530
Commerce and housing:						
518 Other aids to business	1,447	1,397	1,478	1,408	1,451	1,463
General government:						
601 Legislative functions	85,447	96,718	92,436	88,400	104,048	135,537
602 Judicial functions	28	30	30	28	30	30
610 Other general government	3,234	8,723	3,520	−1,488	944	2,665
Total, general government	88,709	105,471	95,986	86,940	105,022	138,232
Total, legislative branch	100,702	119,181	110,286	98,757	119,245	152,225

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
SENATE												
Current authorizations:												
Compensation of Senators	601	$2,328	$2,328		$2,377	$2,317						
Mileage of President of the Senate and of Senators	601	51	51		54	47						
Expense allowance of majority and minority leaders	601	4	4		4	4						
Compensation of the Vice President of the United States	601	38	38		38	38						
Expense allowance of the Vice President	601	10	10		10	10						
Salaries, officers and employees	601	14,154	14,725	$1,488	16,432	13,096						
Office of the Legislative Counsel of the Senate	601	191	187	19	206	181						
Senate procedure	601		10									
Contingent expenses of the Senate:												
Legislative reorganization	601	107	107	10	117	74						
Senate policy committees	601	224	224	24	248	199						
Joint Economic Committee	601	163	143	13	157	154						
Joint Committee on Atomic Energy	601	234	234	17	250	192						
Joint Committee on Printing	601	67	74	8	81	61						
Committee on Rules and Administration	601	33	35		35	33						
Vice President's automobile	601	8	8	1	8	7	$19,300	$1,700	$21,000	$21,704	$146	$21,850
Automobile for the President pro tempore	601	7	12	1	8	5						
Automobiles for majority and minority leaders	601	14	25	1	15	18						
Reporting Senate proceedings	601	198	189	19	208	189						
Furniture	601	31	31		31	27						
Inquiries and investigations	601	3,333	3,170	210	3,375	2,863						
Folding documents	601	29	29	3	32	29						
Senate restaurants	601	85	85		85	45						
Mail transportation	601	17	17		17	17						
Miscellaneous items	601	1,516	1,601	32	1,690	1,474						
Postage stamps	601	40	46		45	38						
Stationery (revolving fund)	601	188	188		191	178						
Communications	601	15	15		15	10						
Payments to estates and widows of deceased Members of the Senate	601	45				45						
Joint Committee on Inaugural Ceremonies	601					3						
Recording studio revolving fund	601					−92						
Total, Senate		23,130	23,586	1,846	25,729	21,262	19,300	1,700	21,000	21,704	146	21,850
HOUSE OF REPRESENTATIVES												
Current authorizations:												
Compensation of Members	601	10,638	10,638		10,638	10,474						
Mileage of Members and expense allowance of the Speaker	601	200	200		200	184						
Salaries, officers and employees	601	6,091	6,355	576	7,226	5,828						
Members' clerk hire	601	14,700	15,000	1,500	16,500	14,018						
Contingent expenses of the House:												
Furniture	601	182	232	13	245	180						
Miscellaneous items	601	1,834	2,196	130	2,500	1,877						
Reporting hearings	601	120	125		150	114						
Special and select committees	601	2,335	2,000	200	2,500	2,157						
Joint Committee on Internal Revenue Taxation	601	230	240	24	270	217						
Joint Committee on Immigration and Nationality Policy	601		20		20							
Office of the Coordinator of Information	601	94	90	9	99	90						
Telegraph and telephone	601	975	1,300		1,400	977						
Stationery (revolving fund)	601	533	788		788	522						
Attending physician's office	601	12	13		14	13						
Postage stamps	601	117	138		184	117	37,700	2,300	40,000	39,798	202	40,000
Folding documents	601	175	200	20	220	133						
Revision of laws	601	17	17	2	18	15						
Speaker's automobile	601	8	16	1	10	8						
Majority leader's automobile	601	8	16	1	10	8						
Minority leader's automobile	601	7	16	1	10	7						
New edition to the United States Code	601	100				53						

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)							
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate			
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total	
HOUSE OF REPRESENTATIVES—Continued													
Current authorizations—Continued													
Contingent expenses of the House—Continued													
New edition of the District of Columbia Code	601	$100				$10							
Joint Senate and House recording facilities revolving fund	601					58							
House of Representatives restaurant fund	601					30							
House recording studio revolving fund	601					−41							
Payment to widows and heirs of deceased Members of Congress	601	203	$22			203							
Capitol Police:													
General expenses	601	35	37	$17	$37	29							
Capitol Police Board	601	83	89		106	74							
Joint Committee on Reduction of Nonessential Federal Expenditures	601	23	23			23							
Education of Senate and House pages	601	53	54	8	62	55							
Penalty mail costs	601	2,081	2,259		3,591	2,081							
Statement of appropriations	601	10	8		8	10							
Total, House of Representatives		40,964	42,092	2,502	46,806	39,524	$37,700	$2,300	$40,000	$39,798	$202	$40,000	
ARCHITECT OF THE CAPITOL													
Current authorizations:													
Office of the Architect of the Capitol:													
Salaries	601	240	252		273	237	254		254	273		273	
Contingent expenses	601	50	50		50	20	43		43	50		50	
Capitol Buildings and Grounds:													
Capitol Buildings	601	902	894		1,088	897	897		897	1,063		1,063	
Reappropriation	601	25											
Capitol Grounds	601	307	318		361	360	318		318	361		361	
Reappropriation	601	56											
Subway transportation, Capitol and Senate Office Buildings	601	5	6		6	4	6		6	6		6	
Senate Office Buildings	601	1,320	1,822		1,820	1,180	1,878		1,878	1,820		1,820	
Reappropriation	601	87											
Legislative garage	601	40	42		140	39	43		43	134		134	
House Office Buildings	601	1,258	1,283		1,416	1,226	1,342		1,342	1,416		1,416	
Acquisition of property, construction and equipment, additional House Office Building: Liquidation of contract authorization	601	(7,500)	(22,500)		(16,500)	2,695	9,446		9,446	40,103		40,103	
Capitol Power Plant	601	1,700	1,738		1,792	1,486	1,868		1,868	1,792		1,792	
Reappropriation	601		107										
Expansion of facilities, Capitol Power Plant:													
Liquidation of contract authorization	601		(750)		(5,750)		750		750	5,750		5,750	
Contract authorization	601		6,500										
Extension of additional Senate Office Building site	601		1,590				1,590		1,590				
Acquisition of site, construction and equipment, additional Senate Office Building:													
Liquidation of contract authorization	601	(2,846)				7,677	5,673		5,673				
Contract authorization	601	2,846											
Furniture and furnishings, additional Senate Office Building	601	1,000					1,000		1,000				
Remodeling, Senate Office Building	601	250				21	229		229				
Extension of the Capitol: Liquidation of contract authorization	601					453	4,884		4,884	7,494		7,494	
Changes and improvements, Capitol Power Plant: Liquidation of contract authorization	601					425	568		568	1,370		1,370	
Reconstruction, repair, alteration, and improvements, Capitol Grounds	601					2	20		20				
Library buildings and grounds:													
Structural and mechanical care	215	774	693		1,019	996	932		932	894		894	
Furniture and furnishings	215	67	75		156	81	74		74	141		141	
Total, Architect of the Capitol		10,927	15,370		8,121	17,799	31,815		31,815	62,667		62,667	

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
BOTANIC GARDEN												
Current authorizations:												
Salaries and expenses	215	$275	$386		$328	$266	$354		$354	$363		$363
Relocation of greenhouses	215		587				587		587			
Total, Botanic Garden		275	973		328	266	941		941	363		363
LIBRARY OF CONGRESS												
Current authorizations:												
Salaries and expenses	215	6,100	6,200	$548	7,156	5,850	6,407	$523	6,930	7,069	$25	7,094
Copyright Office: Salaries and expenses	518	1,447	1,274	123	1,478	1,408	1,333	118	1,451	1,458	5	1,463
Legislative Reference Service: Salaries and expenses	601	1,267	1,265	125	1,455	1,191	1,326	120	1,446	1,436	5	1,441
Distribution of catalog cards: Salaries and expenses	215	1,715	1,778	101	1,936	1,684	1,808	96	1,904	1,919	5	1,924
Increase of the Library of Congress:												
General increase of the Library	215	320	320		350	345	325		325	350		350
Increase of the law library	215	90	90		90	76	97		97	95		95
Books for the Supreme Court	602	28	30		30	28	30		30	30		30
Books for the blind: Salaries and expenses	217	1,206	1,355	13	1,619	1,160	1,434	12	1,446	1,548	1	1,549
Organizing and microfilming the papers of the Presidents: Salaries and expenses	215		100	7	107		80	6	86	109	1	110
Preservation of early American motion pictures	215		60		60		47		47	60		60
Intragovernmental funds:												
Advances and reimbursements	215					−48	−10		−10	−50		−50
Total, Library of Congress		12,172	12,472	917	14,282	11,695	12,877	875	13,752	14,024	42	14,066
GOVERNMENT PRINTING OFFICE												
Current authorizations:												
Printing and binding	601	10,000	10,700		11,500	9,701	10,793		10,793	10,614		10,614
Office of the Superintendent of Documents: Salaries and expenses	610	3,234	3,295	177	3,520	3,086	3,331	174	3,505	3,552	3	3,555
Intragovernmental funds:												
Government Printing Office revolving fund	610					−4,574	−2,761		−2,761	−1,890		−1,890
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation: Acquisition of site and construction of annex	610			5,251				200	200		1,000	1,000
Total, Government Printing Office		13,234	13,995	5,428	15,020	8,212	11,363	374	11,737	12,276	1,003	13,279
Total new obligational authority and budget expenditures		100,702	108,488	10,693	110,286	98,757	113,996	5,249	119,245	150,832	1,393	152,225

RECAPITULATION								
Enacted or recommended in this document:								
Current authorizations:								
Appropriations		$97,688	$101,881	$110,286	$98,757	$113,996		$150,832
Appropriations to liquidate contract authorizations		(10,346)	(23,250)	(22,250)				
Contract authorizations		2,846	6,500					
Reappropriations		168	107					
Proposed for later transmission:								
Pay increase supplemental appropriations			5,442			5,049		393
Other: Appropriations			5,251			200		1,000
Total new obligational authority and budget expenditures		100,702	119,181	110,286	98,757	119,245		152,225

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
SENATE											
Current authorizations		$6,791		$5,307		$5,059	$25,729	$20,175	$1,675		$4,874
HOUSE OF REPRESENTATIVES											
Current authorizations		6,648		5,171		5,200	46,806	36,700	3,300		5,500
ARCHITECT OF THE CAPITOL											
Current authorizations:											
Office of the Architect of the Capitol:											
Salaries		8		10		9	273	265	8		9
Contingent expenses		10		3		10	50	40	10		10
Capitol Buildings and Grounds:											
Capitol Buildings		58		53		50	1,088	1,013	50		75
Capitol Grounds		19		21		21	361	340	21		21
Subway transportation, Capitol and Senate Office Buildings							6	6			
Senate Office Buildings		103	$56	136		80	1,820	1,740	80		80
Legislative garage		1		3		1	140	133	1		8
House Office Buildings		88		109		50	1,416	1,366	50		50
Acquisition of property, construction and equipment, additional House Office Building:											
Liquidation of contract authorization	$47	5,745		10,549		23,603			40,103	$17,003	38,500
Contract authorization	85,000	85,000	76,120	77,500	$18,031	55,000					
Capitol Power Plant		162		223		200	1,792	1,592	200		200
Expansion of facilities, Capitol Power Plant									5,750		
Contract authorization					5,100	5,750					
Acquisition of site, construction and equipment, additional Senate Office Building	1,058	10,592	2,291	5,762	89	89				89	89
Furniture and furnishings, additional Senate Office Building			1,000	1,000							
Remodeling, Senate Office Building			229	229							
Extension of the Capitol:											
Liquidation of contract authorization	14,839	16,609	14,784	16,156	5,180	11,272			7,494	675	3,778
Contract authorization	25,600	25,600	25,600	25,600							
Changes and improvements, Capitol Power Plant:											
Liquidation of contract authorization	2,221	2,732	2,059	2,307	633	1,739			1,370		1,099
Contract authorization	730	730	730	730	730	730					
Reconstruction, repair, alteration, and improvements, Capitol Grounds	20	21	20	20							
Library buildings and grounds:											
Structural and mechanical care		583		264		25	1,019	869	25		150
Furniture and furnishings		25		8		10	156	131	10		25
Total, Architect of the Capitol	129,515	148,086	122,889	140,683	29,763	98,639	8,121	7,494	55,173	17,767	44,093
BOTANIC GARDEN											
Current authorizations:											
Salaries and expenses		13		18		50	328	313	50		15
LIBRARY OF CONGRESS											
Current authorizations:											
Salaries and expenses		349		593		412	7,156	6,682	412		474
Copyright Office: Salaries and expenses		95		122		68	1,478	1,395	68		84
Legislative Reference Service: Salaries and expenses		55		128		72	1,455	1,369	72		86
Distribution of catalog cards: Salaries and expenses		184		213		187	1,936	1,737	187		199
Increase of the Library of Congress:											
General increase of the Library	17	120	4	95		90	350	260	90		90
Increase of the law library	13	33	16	47		40	90	55	40		35
Books for the Supreme Court		4		4		4	30	26	4		4
Books for the blind: Salaries and expenses		420		455		378	1,619	1,171	378		448
Organizing and microfilming the papers of the Presidents:											
Salaries and expenses						21	107	89	21		17
Preservation of early American motion pictures						13	60	47	13		14

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
LIBRARY OF CONGRESS—Continued											
Intragovernmental funds:											
Advances and reimbursements	$226	$406	$233	$452	$200	$463			−$50	$200	$513
Total, Library of Congress	256	1,667	254	2,107	200	1,744	$14,282	$12,835	1,231	200	1,960
GOVERNMENT PRINTING OFFICE											
Current authorizations:											
Printing and binding		2,646	−1,771	2,869	−1,500	2,776	11,500	8,587	2,027		3,662
Office of the Superintendent of Documents: Salaries and expenses		379		512		479	3,520	3,076	479		444
Intragovernmental funds:											
Government Printing Office revolving fund	14,261	13,667	16,171	16,791	10,894	14,159			−1,890	10,934	[1] 12,699
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Acquisition of site and construction of annex						5,051			1,000		4,051
Total, Government Printing Office	14,261	16,692	14,400	20,172	9,394	22,465	15,020	11,663	1,616	10,934	20,856
Total, legislative branch	144,032	179,897	137,543	173,458	39,357	133,157	110,286	89,180	63,045	28,901	76,298
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$18,215	$54,494	$18,689	$52,385	$4,402	$52,004				$764	$20,805
Balances of anticipated pay increase supplementals not identified above						−393					
Subtotal	18,215	54,494	18,689	52,385	4,402	51,611	$110,286	$89,180	$61,652	764	[2] 20,805
Contract authorizations	111,330	111,330	102,450	103,830	23,861	61,480				17,003	39,230
Revolving and management funds	14,487	14,073	16,404	17,243	11,094	14,622				11,134	[1] 13,212
Proposed for later transmission:											
Appropriations						5,051					4,051
Balances of anticipated pay increase supplementals not identified above						393			1,393		
Subtotal						5,444					4,051
Total, legislative branch	144,032	179,897	137,543	173,458	39,357	133,157	110,286	89,180	63,045	28,901	77,298

[1] Excludes capital transfer (payment of profits to Treasury) in 1960 of $3,350 thousand. [2] Excludes amounts no longer available in 1960 of $10,570 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balance brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$54,494	$52,385	$51,611
Contract authorizations	111,330	103,830	61,480
Revolving and management funds	14,073	17,243	14,622
Proposed for later transmission:			
Pay increase supplemental appropriations			393
Other: Appropriations			5,051
Total balances brought forward	179,897	173,458	133,157
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	97,688	101,881	110,286
Appropriations to liquidate contract authorizations	(10,346)	(23,250)	(22,250)
Contract authorizations	2,846	6,500	
Reappropriations	168	107	
Total new obligational authority enacted or recommended	100,702	108,488	110,286
Proposed for later transmission:			
Pay increase supplemental appropriations		5,442	
Other: Appropriations		5,251	
Total new obligational authority proposed for later transmission		10,693	
Total new obligational authority	100,702	119,181	110,286
Total budget authorizations available	280,599	292,639	243,443
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	98,757	113,996	89,180
Out of balances of prior obligational authority			61,652
Total expenditures from obligational authority enacted or recommended	98,757	113,996	150,832
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		5,049	393
Other:			
Out of new obligational authority		200	
Out of balances of prior obligational authority			1,000
Total expenditures from obligational authority proposed for later transmission		5,249	1,393
Total budget expenditures	98,757	119,245	152,225
Amounts no longer available:			
Unobligated balances expiring and lapsing	6,826	34,845	10,570
Capital transfers from revolving funds to receipt accounts	1,451	5,392	3,350
Adjustment of balances downward in expired accounts, net	106		
Total amounts no longer available	8,383	40,237	13,920
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	52,385	51,611	20,805
Contract authorizations	103,830	61,480	39,230
Revolving and management funds	17,243	14,622	13,212
Proposed for later transmission:			
Pay increase supplemental appropriations		393	
Other: Appropriations		5,051	4,051
Total balances carried forward at close of year	173,458	133,157	77,298
Obligations incurred, net	$98,914	$177,130	$106,822

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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] *$2,376,750.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$2,328,245** Estimate 1960, **$2,376,750**

MILEAGE OF PRESIDENT OF THE SENATE AND OF SENATORS

For mileage of the President of the Senate and of Senators, [$51,000] *$54,500.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$51,000** Estimate 1960, **$54,500**

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, 1959.*)

Appropriated 1959, **$4,000** Estimate 1960, **$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, 1959.*)

Appropriated 1959, **$37,695** Estimate 1960, **$37,695**

EXPENSE ALLOWANCE OF THE VICE PRESIDENT

For expense allowance of the Vice President, $10,000. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$10,000** Estimate 1960, **$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] *$112,140.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $101,925 Estimate 1960, $112,140

CHAPLAIN

Chaplain of the Senate, [$5,000] *$5,500.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $5,000 Estimate 1960, $5,500

OFFICE OF THE SECRETARY

For office of the Secretary, [$572,915] *$630,140.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $572,915 Estimate 1960, $630,140

COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees, and the Select Committee on Small Business, [$2,030,650] *$2,372,960.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, [a] $2,132,810 Estimate 1960, $2,372,960

[a] Includes $102,160 appropriated in Supplemental Appropriation Act, 1959.

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] *$44,020.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $40,000 Estimate 1960, $44,020

For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, [$40,000] *$44,020.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $40,000 Estimate 1960, $44,020

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants and messenger service for Senators, [$9,664,000] *$10,834,650.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $9,664,000 Estimate 1960, $10,834,650

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For office of Sergeant at Arms and Doorkeeper, [$2,050,910: *Provided,* That effective July 1, 1958, the basic annual compensation of the following positions shall be: chief clerk, post office, $3,060 in lieu of $2,760; superintendent of mails, $3,060 in lieu of $2,400; laboratory technician, $2,580 in lieu of projectionist, film inspector, $2,280; eighteen additional privates, police force, at $2,160 each; two additional sergeants, police force, at $2,280 each; twenty-two additional mail carriers at $2,100 each; one registry clerk at $2,220; assistant superintendent, press photographers' gallery at $2,820] *$2,258,485.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $2,050,910 Estimate 1960, $2,258,485

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, [$98,240: *Provided,* That effective July 1, 1958, the basic compensation of the chief telephone page for the majority and the chief telephone page for the minority may be fixed by the respective Secretaries at not to exceed $3,480 per annum each, and the basic annual compensation of one telephone page for the majority and one telephone page for the minority shall be $2,580 each in lieu of $2,220 each] *$108,065.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $98,240 Estimate 1960, $108,065

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] *$22,050.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $20,045 Estimate 1960, $22,050

Total, salaries, officers and employees:

Appropriated, 1959, **$14,725,845** Estimate, 1960, **$16,432,030**

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, [$187,385] *$206,125.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$187,385** Estimate 1960, **$206,125**

[SENATE PROCEDURE]

[For compiling, preparing, and editing "Senate Procedure", $10,000, of which amount $5,000 shall be paid to Charles L. Watkins, Parliamentarian of the Senate, and $5,000 shall be paid to Floyd M. Riddick, Assistant Parliamentarian of the Senate.] (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$10,000**

CONTINGENT EXPENSES OF THE SENATE

LEGISLATIVE REORGANIZATION

For salaries and expenses, legislative reorganization, [$106,500] *$117,150.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$106,500** Estimate 1960, **$117,150**

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SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, [$111,825] *$123,830* for each such committee; in all, [$223,650] *$247,660.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$223,650** Estimate 1960, **$247,660**

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, [$143,360] *$156,950.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$143,360** Estimate 1960, **$156,950**

JOINT COMMITTEE ON ATOMIC ENERGY

For salaries and expenses of the Joint Committee on Atomic Energy, [$233,520] *$250,145.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$233,520** Estimate 1960, **$250,145**

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, [$72,300] *$79,905*; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; in all, [$73,900] *$81,505.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$73,900** Estimate 1960, **$81,505**

COMMITTEE ON RULES AND ADMINISTRATION

For reimbursement to General Services Administration for space furnished the United States Senate, $35,010.

[For compiling, preparing, and indexing material for the Senate Manual, $200, which amount may be paid as additional compensation to any employee of the United States.] (*Legislative Branch Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$35,210** Estimate 1960, **$35,010**

VICE PRESIDENT'S AUTOMOBILE

For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, [$7,600] *$8,160.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$7,600** Estimate 1960, **$8,160**

AUTOMOBILE FOR THE PRESIDENT PRO TEMPORE

For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, [$12,600] *$7,660.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$12,600** Estimate 1960, **$7,660**

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, [$25,200] *$15,320.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$25,200** Estimate 1960, **$15,320**

REPORTING SENATE PROCEEDINGS

For reporting the debates and proceedings of the Senate, payable in equal monthly installments, [$188,825] *$207,650.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$188,825** Estimate 1960, **$207,650**

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, 1959.*)

Appropriated 1959, **$31,190** Estimate 1960, **$31,190**

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, [$3,160,000] *$3,374,900.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, ◦ **$3,170,000** Estimate 1960, **$3,374,900**

◦ Includes $10,000 appropriated in Supplemental Appropriation Act, 1959.

FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.77 per hour per person, [$29,000] *$31,900.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$29,000** Estimate 1960, **$31,900**

SENATE RESTAURANTS

For repairs, improvements, equipment and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office [Building] *Buildings,* 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, 1959.*)

Appropriated 1959, **$85,000** Estimate 1960, **$85,000**

MAIL TRANSPORTATION

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, 1959.*)

Appropriated 1959, **$16,560** Estimate 1960, **$16,560**

MISCELLANEOUS ITEMS

For miscellaneous items, exclusive of labor, [$1,601,245] *$1,690,025.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$1,601,245** Estimate 1960, **$1,690,025**

POSTAGE STAMPS

For [Office of the Secretary, $870; Office of the Sergeant at Arms, $300;] Offices of the Secretaries of the Majority and the Minority, $140; [for maintenance of a supply of stamps in the Senate Post Office, $1,000; and] for airmail and special-delivery stamps for *Office of the Secretary, $160; Office of the Sergeant at Arms, $125; and for* Senators and the President of the Senate, as authorized by law, [$43,650, and the maximum allowance per capita of $400 is increased to $450 for the fiscal year 1959 and thereafter] *$44,550*; in all, [$45,960] *$44,975.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$45,960** Estimate 1960, **$44,975**

STATIONERY (REVOLVING FUND)

For stationery for Senators and the President of the Senate, [$174,600] *$178,200*; and for stationery for committees and officers of the Senate, [$12,900] *$13,200*; in all, [$187,500] *$191,400*, to remain available until expended. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, ◦ **$187,800** Estimate 1960, **$191,400**

◦ Includes $300 appropriated in Supplemental Appropriation Act, 1959.

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SENATE—Continued

Current authorizations—Continued

CONTINGENT EXPENSES OF THE SENATE—Continued

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] *$14,850.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$14,550** Estimate 1960, **$14,850**

[ADMINISTRATIVE PROVISIONS]

[Effective July 1, 1958, the paragraph relating to payment of toll charges on official long-distance telephone calls, originating and terminating outside of Washington, District of Columbia, under the heading "Contingent Expenses of the Senate" in Public Law 479, Seventy-ninth Congress, as amended (2 U. S. C. 46d), is amended by striking out $1,200 where it appears therein and inserting in lieu thereof $1,800.]

[The Secretary of the Senate is hereafter authorized, in his discretion, to advance to the Sergeant at Arms of the Senate such sums as may be necessary, not exceeding $2,000, to meet any extraordinary expenses of the Senate.]

[The Contingent Fund of the Senate is hereafter made available for reimbursement of transportation expenses incurred by Senators in traveling, on official business, by the nearest usual route, from Washington, District of Columbia, to their resident cities in their home States, and return, for not to exceed two such round trips in each fiscal year.] (*Legislative Branch Appropriation Act, 1959.*)

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, 1959.*)

Appropriated 1959, **$10,638,000** Estimate 1960, **$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, 1959.*)

Appropriated 1959, **$200,000** Estimate 1960, **$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] *$58,510.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $53,075 Estimate 1960, $58,510

OFFICE OF THE PARLIAMENTARIAN

For the Office of the Parliamentarian, including $2,000 for preparing the Digest of the Rules, $60,265. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $60,265 Estimate 1960, $60,265

OFFICE OF THE CHAPLAIN

For the Office of the Chaplain, [$7,450] *$8,195.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $7,450 Estimate 1960, $8,195

OFFICE OF THE CLERK

For the Office of the Clerk, [including $95,950 for the House Recording Studio and an additional $9,300 for clerical assistants in the Disbursing Office, $937,070] *$1,065,220.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $937,070 Estimate 1960, $1,065,220

COMMITTEE EMPLOYEES

For committee employees, including the Committee on Appropriations, [$2,400,000] *$2,900,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $2,400,000 Estimate 1960, $2,900,000

OFFICE OF THE SERGEANT AT ARMS

For the Office of the Sergeant at Arms, including $7,500 for additional clerical assistants, [$514,620] *$561,675.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $514,620 Estimate 1960, $561,675

OFFICE OF THE DOORKEEPER

For the Office of the Doorkeeper, [$874,095] *$961,725.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $874,095 Estimate 1960, $961,725

SPECIAL AND MINORITY EMPLOYEES

For six minority employees, [$70,935] *$78,030.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $70,935 Estimate 1960, $78,030

For the office of the majority floor leader, including $2,000 for official expenses of the majority leader, [$58,555] *$64,340.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $58,555 Estimate 1960, $64,340

For the office of the minority floor leader, [$45,800] *$50,510.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $45,800 Estimate 1960, $50,510

For the office of the majority whip, [$25,015] *$27,645.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $25,015 Estimate 1960, $27,645

For the office of the minority whip, [$25,015] *$27,645.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $25,015 Estimate 1960, $27,645

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] *$12,620.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $11,470 Estimate 1960, $12,620

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] *$8,570.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $7,790 Estimate 1960, $8,570

OFFICE OF THE POSTMASTER

For the Office of the Postmaster, including *$8,500 for* 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, [$259,815] *$286,595.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $259,815 Estimate 1960, $286,595

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OFFICIAL REPORTERS OF DEBATES

For official reporters of debates, [$158,255] *$174,080.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $158,255 Estimate 1960, $174,080

OFFICIAL REPORTERS TO COMMITTEES

For official reporters to committees, [$159,840] *$175,825.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $159,840 Estimate 1960, $175,825

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, 1959.*)

Appropriated 1959, $500,000 Estimate 1960, $500,000

OFFICE OF THE LEGISLATIVE COUNSEL

For salaries and expenses of the Office of the Legislative Counsel of the House, [$186,000] *$204,600.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, $186,000 Estimate 1960, $204,600

Total, salaries, officers and employees:

Appropriated 1959, **$6,355,065** Estimate 1960, **$7,226,050**

MEMBERS' CLERK HIRE

For clerk hire, necessarily employed by each Member in the discharge of his official and representative duties, [$15,000,000] *$16,500,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$15,000,000** Estimate 1960, **$16,500,000**

CONTINGENT EXPENSES OF THE HOUSE

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] *$245,130.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$231,800** Estimate 1960, **$245,130**

MISCELLANEOUS ITEMS

For miscellaneous items, exclusive of salaries unless specifically ordered by the House of Representatives, including the sum of [$50,000] *$65,000* 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 post office motor vehicles for carrying the mails; the sum of $600 for hire of automobile for the Sergeant at Arms; materials for folding; and for stationery for the use of committees, departments, and officers of the House; [$2,196,400] *$2,500,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$2,196,400** Estimate 1960, **$2,500,000**

REPORTING HEARINGS

For stenographic reports of hearings of committees other than special and select committees, [$125,000] *$150,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$125,000** Estimate 1960, **$150,000**

SPECIAL AND SELECT COMMITTEES

For salaries and expenses of special and select committees authorized by the House, [$2,000,000] *$2,500,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$2,000,000** Estimate 1960, **$2,500,000**

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

For the payment of the salaries and other expenses of the Joint Committee on Internal Revenue Taxation, [$240,000] *$270,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$240,000** Estimate 1960, **$270,000**

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, 1959.*)

Appropriated 1959, **$20,000** Estimate 1960, **$20,000**

OFFICE OF THE COORDINATOR OF INFORMATION

For salaries and expenses of the Office of the Coordinator of Information, [$89,795] *$98,970.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$89,795** Estimate 1960, **$98,970**

TELEGRAPH AND TELEPHONE

For telegraph and telephone service, exclusive of personal services, [$1,300,000, of which not to exceed $100,000 may be transferred to the appropriation for this purpose for fiscal year 1958] *$1,400,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$1,300,000** Estimate 1960, **$1,400,000**

STATIONERY (REVOLVING FUND)

For a stationery allowance for each Member (*which hereafter shall be $1,800 per regular session*), for the [first] *second* session of the Eighty-sixth Congress, [$525,600] *$788,400,* to remain available until expended. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, [a] **$788,400** Estimate 1960, **$788,400**

[a] Includes $262,800 appropriated in Supplemental Appropriation Act, 1959.

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, [$13,145] *$14,145.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$13,145** Estimate 1960, **$14,145**

POSTAGE STAMPS

Postmaster, $320; Clerk, $640; Sergeant at Arms, $480; Doorkeeper, $400; 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; [$138,460: *Provided,* That the provisions of House Resolution 399, Eighty-fifth Congress, shall be the permanent law] *$183,640.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$138,460** Estimate 1960, **$183,640**

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HOUSE OF REPRESENTATIVES—Continued

Current authorizations—Continued

CONTINGENT EXPENSES OF THE HOUSE—Continued

FOLDING DOCUMENTS

For folding speeches and pamphlets, at a gross rate not exceeding $2.36 per thousand or for the employment of personnel at a gross rate not exceeding $1.77 per hour per person, [$200,000] *$220,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$200,000** Estimate 1960, **$220,000**

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] *$18,150,* to be expended under the direction of the Committee on the Judiciary. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$16,500** Estimate 1960, **$18,150**

SPEAKER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the Speaker, [$16,000] *$9,500.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$16,000** Estimate 1960, **$9,500**

MAJORITY LEADER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the majority leader of the House, [$16,000] *$9,500.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$16,000** Estimate 1960, **$9,500**

MINORITY LEADER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the minority leader of the House, [$16,000] *$9,500.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$16,000** Estimate 1960, **$9,500**

PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

[For payment to Katharine McVey, widow of William E. McVey, late a Representative from the State of Illinois, $22,500.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$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, 1959.*)

CAPITOL POLICE

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; $36,700. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$36,700** Estimate 1960, **$36,700**

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, [$89,236] *$106,435.* 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] *lieutenant* detailed under the authority of this paragraph the same salary as that paid in fiscal year 1955 plus $625 [each] and such [increases] *increase* in basic compensation as may be subsequently provided by law so long as [these positions are] *this position is* held by the present [incumbents] *incumbent* 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, 1959.*)

Appropriated 1959, **$89,236** Estimate 1960, **$106,435**

The foregoing amounts under "Capitol Police" shall be disbursed by the Clerk of the House. (*Legislative Branch Appropriation Act, 1959.*)

[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, 1959.*)

Appropriated 1959, **$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, [$53,500] *$62,500,* 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, 1959.*)

Appropriated 1959, **$53,500** Estimate 1960, **$62,500**

PENALTY MAIL COSTS

For expenses necessary under section 2 of Public Law 286, Eighty-third Congress, [$2,259,000] *$3,591,000,* to be available immediately. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$2,259,000** Estimate 1960, **$3,591,000**

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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 [second] *first* session of the Eighty-[fifth] *sixth* Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriation bills as required by law, $8,000, to be paid to the persons designated by the chairmen of such committees to supervise the work. (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$8,000** Estimate 1960, **$8,000**

ARCHITECT OF THE CAPITOL

Current authorizations:

OFFICE OF THE ARCHITECT OF THE CAPITOL

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; [$252,225] *$273,100.* (*31 U. S. C. 689; 40 U. S. C. 161, 162, 164a; 166b–1; 5 U. S. C. 2205, 2206; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$252,225** Estimate 1960, **$273,100**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
General administration of all activities under the Architect of the Capitol (total obligations)	$239,738	$252,225	$273,100
Financing:			
Unobligated balance no longer available	62		
Appropriation (new obligational authority)	239,800	252,225	273,100

Object Classification

Total number of permanent positions		27		28		28
Average number of all employees		27		26		28
Average GS grade and salary	8.8	$6,210	8.9	$7,039	8.9	$7,155
01 Personal services:						
Permanent positions		$206,913		$212,785		$231,365
Other personal services		19,447		25,160		26,160
Total personal services		226,360		237,945		257,525
07 Other contractual services: Payment to employees' life insurance fund		462		400		500
11 Grants, subsidies, and contributions		12,916		13,880		15,075
Total obligations		239,738		252,225		273,100

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, 1959.*)

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, 1959.*)

Appropriated 1959, **$50,000** Estimate 1960, **$50,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Unforeseen expenses in connection with all activities under the Architect of the Capitol (total obligations)	$13,384	$50,000	$50,000
Financing:			
Unobligated balance no longer available	36,616		
Appropriation (new obligational authority)	50,000	50,000	50,000

Object Classification

07 Other contractual services		$50,000	$50,000
Snow removal, Capitol grounds	$8,875		
Converting former pages' locker room, basement floor, into offices	1,536		
New mahogany doors for marble room, Senate wing	1,273		
Improve lighting, official reporters office, Senate wing	792		
Installation of public address system in legislative garage	908		
Total obligations	13,384	50,000	50,000

CAPITOL BUILDINGS AND GROUNDS

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, [$893,600] *$1,088,200.* (*40 U. S. C. 162, 163, 163a, 166; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$893,600** Estimate 1960, **$1,088,200**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance and operation of the Capitol (total obligations)	$893,557	$893,600	$1,088,200
Financing:			
Unobligated balance no longer available	33,243		
New obligational authority	926,800	893,600	1,088,200
New obligational authority:			
Appropriation	$901,800	$893,600	$1,088,200
Reappropriation	25,000		

Object Classification

Total number of permanent positions		140		141		141
Average number of all employees		140		134		141
Average GS grade and salary	9.1	$6,090	9.1	$6,930	9.1	$7,056
Average salary of ungraded positions		$3,793		$4,207		$4,361
01 Personal services:						
Permanent positions		$571,085		$597,200		$652,600
Positions other than permanent		13,408		16,000		16,000
Other personal services		111,733		112,300		137,200
Total personal services		696,226		725,500		805,800
02 Travel		266		100		100
03 Transportation of things		7		25		25

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

CAPITOL BUILDINGS—continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
04	Communication services	$39	$20	$20
	Penalty mail	600	1,000	1,000
07	Other contractual services:			
	Annual painting	32,323	32,000	48,000
	Elevator repairs and improvements	2,161	4,000	5,000
	Substation equipment and repairs	2,409	4,205	5,305
	General annual repairs and alterations	31,363	26,300	26,300
	Maintenance and repair, lighting systems, grounds	8,716	10,500	10,500
	Maintenance, air-conditioning system	26,370	21,900	39,800
	Payment to employees' life insurance fund	2,018	2,000	2,000
	Repairs, works of art	4,939	5,000	5,000
	Advertising		50	50
	Installation of 2 additional elevators in Senate wing and improvements to 2 adjoining elevators	22,400		
	Painting exterior of dome and exterior of west central section of Capitol			75,000
08	Supplies and materials	24,592	27,300	27,300
09	Equipment	7,996	1,000	2,000
11	Grants, subsidies, and contributions	31,132	32,700	35,000
	Total obligations	893,557	893,600	1,088,200

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; [$317,600] *$361,000. (40 U. S. C. 162, 193a; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$317,600** Estimate 1960, **$361,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Care and improvement of the Capitol Grounds (total obligations)	$362,785	$317,600	$361,000
Financing:			
Unobligated balance no longer available	215		
New obligational authority	363,000	317,600	361,000
New obligational authority:			
Appropriation	$307,000	$317,600	$361,000
Reappropriation	56,000		

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	54	54	55
	Average number of all employees	52	51	55
	Average GS grade and salary	7.5 $5,405	7.5 $6,082	7.1 $5,846
	Average salary of ungraded positions	$3,699	$4,136	$4,279
01	Personal services:			
	Permanent positions	$199,438	$220,000	$250,700
	Positions other than permanent	13,463	7,500	7,500
	Other personal services	36,761	33,100	44,000
	Total personal services	249,662	260,600	302,200
02	Travel		50	50
03	Transportation of things		30	30
04	Communication services		20	20
07	Other contractual services:			
	General annual repairs	11,071	8,450	8,450
	Snow removal	4,998	5,000	5,000
	Maintenance of signal lights	2,233	2,000	2,000
	Repairs to streets, sidewalks, curbing, and other paved areas	11,831	12,000	12,000
	Advertising		50	50

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services—Con.			
	Payment to employees' life insurance fund	$646	$700	$700
	New combined sanitary-storm water sewer	56,000		
08	Supplies and materials	7,839	8,500	8,500
09	Equipment	5,580	5,800	5,800
11	Grants, subsidies, and contributions	12,679	14,400	16,200
13	Refunds, awards, and indemnities	246		
	Total obligations	362,785	317,600	361,000

SUBWAY TRANSPORTATION, CAPITOL AND SENATE OFFICE BUILDINGS

For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Buildings with the Capitol, including personal and other services, $6,000. *(36 Stat. 1443; 62 Stat. 1029; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$6,000** Estimate 1960, **$6,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance of the subway transportation system connecting the Senate Office Buildings with the Capitol (total obligations)	$4,146	$6,000	$6,000
Financing:			
Unobligated balance no longer available	354		
Appropriation (new obligational authority)	4,500	6,000	6,000

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services: General annual repairs	$3,479	$5,000	$5,000
08	Supplies and materials	447	500	500
09	Equipment	220	500	500
	Total obligations	4,146	6,000	6,000

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, [$1,822,000] *$1,819,700. (40 U. S. C. 174b–1; 174c; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$1,822,000** Estimate 1960, **$1,819,700**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance and operation of the Senate Office Buildings (total obligations)	$1,156,435	$1,878,307	$1,819,700
Financing:			
Unobligated balance brought forward		−56,307	
Unobligated balance carried forward	56,307		
Unobligated balance no longer available	194,658		
New obligational authority	1,407,400	1,822,000	1,819,700
New obligational authority:			
Appropriation	$1,320,400	$1,822,000	$1,819,700
Reappropriation	87,000		

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	220	361	361
Average number of all employees	219	345	361
Average GS grade and salary	6.6 $5,099	6.2 $5,197	6.2 $5,300
Average salary of ungraded positions	$3,695	$3,829	$4,004
01 Personal services:			
Permanent positions	$752,969	$1,212,300	$1,339,000
Positions other than permanent	14,844	15,000	15,000
Other personal services	126,690	205,700	241,200
Total personal services	894,503	1,433,000	1,595,200
04 Communication services	12		
07 Other contractual services:			
Elevator repairs and improvements	925	5,000	5,000
Furniture repairs	4,254	5,000	5,000
General annual repairs	2,335	15,000	15,000
Annual painting	24,321	37,000	17,000
Laundry	6,381	10,000	10,000
Ice	1,986	3,000	1,000
Maintenance, air-conditioning systems	10,647	9,700	9,700
Rebuild 4 central station air-conditioning units, First Street wing, Senate Office Building		137,000	
Repairs to roof	45,487		
Replacement of lighting fixtures	30,693	56,307	
Payment to employees' life insurance fund	2,550	3,800	3,800
08 Supplies and materials	26,633	35,000	35,000
09 Equipment:			
Annual rugs and floor coverings	9,324	25,000	25,000
Annual tools, machinery, and miscellaneous	13,654	3,000	3,000
Annual furniture and furnishings	3,728	5,000	5,000
Revolving arm chairs for offices	3,530	3,650	3,650
Typists chairs for offices	1,927	1,350	1,350
File cabinets	12,447	5,000	5,000
New typewriter desks (50) and flat-top desks (10)	7,804	6,000	6,000
Reception arm chairs		6,000	
Folding chairs		3,500	
Dust arresters, Sergeant at Arms cabinet shop	4,533		
Ice maker	6,120		
11 Grants, subsidies, and contributions	42,641	70,000	74,000
Total obligations	1,156,435	1,878,307	1,819,700

LEGISLATIVE GARAGE

For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, [$42,000] *$140,500.* (*40 U. S. C. 185a; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$42,000** Estimate 1960, **$140,500**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance and operation of legislative garage (total obligations)	$40,038	$42,000	$140,500
Financing:			
Unobligated balance no longer available	262		
Appropriation (new obligational authority)	40,300	42,000	140,500

Object Classification

Total number of permanent positions	7	7	7
Average number of all employees	7	7	7
Average salary of ungraded positions	$3,621	$3,771	$4,071
01 Personal services:			
Permanent positions	$25,349	$26,400	$28,500
Other personal services	9,526	10,300	11,700
Total personal services	34,875	36,700	40,200
07 Other contractual services:			
General annual repairs	2,469	2,500	2,500
Improvements to lighting system and painting			95,000
08 Supplies and materials	1,026	1,000	1,000
11 Grants, subsidies, and contributions	1,668	1,800	1,800
Total obligations	40,038	42,000	140,500

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, [$1,283,400] *$1,415,800.* (*40 U. S. C. 175; 45 Stat. 1071; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$1,283,400** Estimate 1960, **$1,415,800**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance and operation of the House Office Buildings (total obligations)	$1,246,572	$1,283,400	$1,415,800
Financing:			
Unobligated balance no longer available	11,428		
Appropriation (new obligational authority)	1,258,000	1,283,400	1,415,800

Object Classification

Total number of permanent positions	364	364	364
Average number of all employees	360	350	364
Average GS grade and salary	5.7 $4,614	5.9 $5,188	5.9 $5,269
Average salary of ungraded positions	$3,434	$3,831	$3,985
01 Personal services:			
Permanent positions	$955,911	$998,400	$1,108,200
Positions other than permanent	2,212	2,500	2,500
Other personal services	101,485	118,100	141,200
Total personal services	1,059,608	1,119,000	1,251,900
02 Travel		25	25
03 Transportation of things	3	10	10
04 Communication services	9	10	10
07 Other contractual services:			
Annual painting	46,452	52,000	43,000
Elevator repairs	2,663	4,955	4,955
Maintenance, air-conditioning systems	20,558	7,200	7,200
General annual repairs	10,117	10,000	10,000
Payment to employees' life insurance fund	3,477	3,200	3,200
Replacement of revolving door, old building	7,161		
Laundry	3,055		
08 Supplies and materials	41,561	30,000	30,000
09 Equipment:			
Special equipment	1,323	1,000	1,000
Storage boxes	3,000	3,000	3,000
Miscellaneous equipment	1,786		1,500
11 Grants, subsidies, and contributions	45,799	53,000	60,000
Total obligations	1,246,572	1,283,400	1,415,800

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 equipment 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), [$22,500,000] *$16,500,000.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$22,500,000** Estimate 1960, **$16,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of property, protection, maintenance, and demolition of structures and miscellaneous incidental expenses		$180,418	$15,000
2. Construction and equipment of an additional office building for the House of Representatives	$6,408,359	57,503,103	
3. Changes, alterations, and remodeling, Old House Office Building	1,301,186		
4. Changes, alterations, and remodeling, New House Office Building	920,607	2,269	

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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

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
5. Subways and subway transportation systems	$137,500		$788,144
6. Administration, miscellaneous, contingencies, landscape treatment, and appurtenances	159,628	$402,998	225,000
Total obligations	8,927,280	58,088,788	1,028,144
Financing:			
Unobligated balance brought forward:			
Appropriation	−47,327		
Contract authorization (indefinite)	−85,000,000	−76,120,047	−18,031,259
Unobligated balance carried forward (contract authorization (indefinite))	76,120,047	18,031,259	17,003,115
Contract authorization (new obligational authority)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$85,000,000	$77,500,000	$55,000,000
Unfunded balance at end of year	−77,500,000	−55,000,000	−38,500,000
Appropriation to liquidate contract authorization	7,500,000	22,500,000	16,500,000

Object Classification

07 Other contractual services:			
Construction and equipment of an additional office building for the House of Representatives	$6,408,359	$57,503,103	
Changes, alterations, and remodeling, Old House Office Building	1,301,186		
Changes, alterations, and remodeling, New House Office Building	920,607	2,269	
Subways and subway transportation systems	137,500		$788,144
Administration, miscellaneous, contingencies, landscape treatment, and appurtenances	159,628	402,998	225,000
10 Lands and structures: Acquisition of property, protection, maintenance and demolition of structures, and miscellaneous incidental expenses		180,418	15,000
Total obligations	8,927,280	58,088,788	1,028,144

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; [$1,738,000: *Provided*, That not to exceed $107,000 of the amount made available under the head "Capitol Power Plant" in the Legislative Branch Appropriation Act, 1958, shall continue available until June 30, 1959] *$1,791,600. (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, 1959.)*

Appropriated 1959, **$1,738,000** Estimate 1960, **$1,791,600**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operation and maintenance of the Capitol Power Plant, its steam and chilled water distribution systems (total obligations)	$1,546,842	$1,845,000	$1,791,600

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance no longer available	$153,158		
New obligational authority	1,700,000	$1,845,000	$1,791,600
New obligational authority:			
Appropriation	$1,700,000	$1,738,000	$1,791,600
Reappropriation		107,000	

Object Classification

Total number of permanent positions	71	75	77
Average number of all employees	71	73	77
Average GS grade and salary	7.0 $5,497	7.0 $5,930	6.0 $5,648
Average salary of ungraded positions	$4,926	$5,431	$5,634
01 Personal services:			
Permanent positions	$354,531	$396,800	$433,900
Positions other than permanent	18,623	20,000	20,000
Other personal services	47,471	52,700	54,700
Total personal services	420,625	469,500	508,600
02 Travel	66	100	100
03 Transportation of things	10	10	10
04 Communication services	157	10	10
05 Rents and utility services:			
Annual gas	78	200	1,700
Purchase of electrical energy	611,809	790,000	790,000
07 Other contractual services:			
General annual repairs and alterations	65,111	41,000	48,000
Payment to employees' life insurance fund	1,316	1,230	1,230
Advertising		50	50
Repairs and replacement, steam tunnel	346	107,000	
Survey and study of Capitol Power Plant and other facilities required for expanded building program	47,363		
08 Supplies and materials:			
Miscellaneous annual supplies	21,772	21,000	26,000
Fuel	327,951	386,900	386,900
09 Equipment:			
Purchase of air compressor	7,128		
Miscellaneous equipment	19,730		
11 Grants, subsidies, and contributions	23,380	28,000	29,000
Total obligations	1,546,842	1,845,000	1,791,600

EXPANSION OF FACILITIES, CAPITOL POWER PLANT

For expansion of the Capitol Power Plant facilities, [$750,000] *$5,750,000*, to be expended by the Architect of the Capitol under the direction of the House Office Building Commission, [to remain available until expended: *Provided*, That the provisions of this paragraph shall be effective only upon enactment into law of H. R. 12883, Eighty-fifth Congress] *in accordance with the provisions of the Act of September 2, 1958 (72 Stat. 1714–1716). (Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$750,000** Estimate 1960, **$5,750,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Expansion of steam generating and refrigeration facilities at the Capitol Power Plant, and modification, expansion and improvement of the steam and chilled water distribution systems served by the plant, in order to supply steam and refrigeration for the additional House Office Building and other improvements now under construction, or authorized by Congress to be constructed by the Architect of the Capitol (total obligations)		$1,400,000	$5,100,000
Financing:			
Unobligated balance brought forward (contract authorization)			−5,100,000
Unobligated balance carried forward (contract authorization)		5,100,000	
Contract authorization (new obligational authority)		6,500,000	

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Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Unfunded balance at beginning of year			$5,750,000
Contract authorization		$6,500,000	
Unfunded balance at end of year		−5,750,000	
Appropriation to liquidate contract authorization		750,000	5,750,000

Object Classification

07	Other contractual services		$1,400,000	$5,100,000

[EXTENSION OF ADDITIONAL SENATE OFFICE BUILDING SITE]

[To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85–429, approved May 29, 1958 (72 Stat. 148), relating to the acquisition of property in square 724 in the District of Columbia, including necessary incidental expenses, $965,000, to remain available until expended.]

[To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85–591, Eighty-fifth Congress, relating to the acquisition of property in square 725 in the District of Columbia, including necessary incidental expenses, $625,000, to remain available until expended.] (*Legislative Branch Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$1,590,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses, squares 724 and 725, District of Columbia (total obligations)		$1,590,000	
Financing:			
Appropriation (new obligational authority)		1,590,000	

Object Classification

10	Lands and structures:			
	Square 724		$965,000	
	Square 725		625,000	
	Total obligations		1,590,000	

ADDITIONAL OFFICE BUILDING FOR THE UNITED STATES SENATE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction and equipment of an additional office building for the Senate (total obligations)	$1,613,711	$2,202,054	
Financing:			
Unobligated balance brought forward	−1,058,273	−2,290,562	−$88,508
Unobligated balance carried forward	2,290,562	88,508	88,508
Contract authorization (new obligational authority)	2,846,000		

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year			
Contract authorization	$2,846,000		
Appropriation to liquidate contract authorization	2,846,000		

Object Classification

07	Other contractual services	$1,613,711	$2,202,054	

FURNITURE AND FURNISHINGS, ADDITIONAL SENATE OFFICE BUILDING

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Furniture and furnishings for additional Senate Office Building (total obligations)		$1,000,000	
Financing:			
Unobligated balance brought forward		−1,000,000	
Unobligated balance carried forward	$1,000,000		
Appropriation (new obligational authority)	1,000,000		

Object Classification

09	Equipment		$1,000,000	

REMODELING, SENATE OFFICE BUILDING

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the Old Senate Office Building, to provide improved accommodations for the Senate (total obligations)	$20,574	$229,426	
Financing:			
Unobligated balance brought forward		−229,426	
Unobligated balance carried forward	229,426		
Appropriation (new obligational authority)	250,000		

Object Classification

07	Other contractual services	$20,574	$229,426	

EXTENSION OF THE CAPITOL

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Extension, reconstruction, and replacement of the central portion of the Capitol, and other related and appurtenant improvements (total obligations)	$54,763	$9,603,570	$4,505,241
Financing:			
Unobligated balance brought forward:			
Appropriation	−14,838,574	−14,783,811	−5,180,241
Contract authorization (indefinite)	−25,600,000	−25,600,000	
Unobligated balance carried forward:			
Appropriation	14,783,811	5,180,241	675,000
Contract authorization (indefinite)	25,600,000		
Unobligated balance no longer available (contract authorization)		25,600,000	
Contract authorization (new obligational authority)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$25,600,000	$25,600,000	
Administrative cancellation of unfunded balance		−25,600,000	
Unfunded balance at end of year	−25,600,000		
Appropriation to liquidate contract authorization			

Object Classification

07	Other contractual services	$54,763	$9,603,570	$4,505,241

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

CHANGES AND IMPROVEMENTS, CAPITOL POWER PLANT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Boiler plant changes and related improvements	$9,470		
2. New tunnel, steam lines, chilled water lines, and related improvements	50,432	$50,000	
3. Electrical conversion, 25-cycle alternating current and direct current to 60-cycle alternating current		1,330,000	$1,345,000
4. Refrigeration plant changes, improvements, and additions	46,450	1,054	
5. Engineering, administration, and contingencies	55,895	45,000	17,978
Total obligations	162,247	1,426,054	1,362,978
Financing:			
Unobligated balance brought forward:			
Appropriation	−2,221,279	−2,059,032	−632,978
Contract authorization	−730,000	−730,000	−730,000
Unobligated balance carried forward:			
Appropriation	2,059,032	632,978	
Contract authorization	730,000	730,000	
Contract authorization (new obligational authority)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$730,000	$730,000	$730,000
Unfunded balance at end of year	−730,000	−730,000	−730,000
Appropriation to liquidate contract authorization			

Object Classification

07 Other contractual services	$162,247	$1,426,054	$1,362,978

RECONSTRUCTION, REPAIR, ALTERATION, AND IMPROVEMENTS, CAPITOL GROUNDS

Program and Financing

	1958 actual	1959 estimate	1960 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)	$3	$19,481	
Financing:			
Unobligated balance brought forward	−19,484	−19,481	
Unobligated balance carried forward	19,481		
Appropriation (new obligational authority)			

Object Classification

04 Communication services	$3		
07 Other contractual services		$19,481	
Total obligations	3	19,481	

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For necessary expenditures for mechanical and structural maintenance, including minor improvements, equipment, supplies, waterproof wearing apparel, and personal and other services, [$693,400] *$1,019,100*, of which not to exceed $20,000 shall be available for expenditure without regard to section 3709 of the Revised Statutes, as amended. *(2 U. S. C. 141; 46 Stat. 583; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$693,400** Estimate 1960, **$1,019,100**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Mechanical and structural maintenance, Library buildings and grounds (total obligations)	$674,815	$693,400	$1,019,100
Financing:			
Unobligated balance no longer available	99,385		
Appropriation (new obligational authority)	774,200	693,400	1,019,100

Object Classification

Total number of permanent positions	59	59	59
Average number of all employees	59	58	59
Average GS grade and salary	4.5 $3,713	4.5 $4,135	4.5 $4,183
Average salary of ungraded positions	$5,060	$5,329	$5,541
01 Personal services:			
Permanent positions	$288,282	$304,500	$324,200
Other personal services	80,962	85,100	92,500
Total personal services	369,244	389,600	416,700
04 Communication services	61		
07 Other contractual services:			
General annual repairs	13,514	18,300	23,800
Annual painting	15,666	20,000	20,000
Maintenance and repairs, air-conditioning and refrigeration systems	17,545	7,500	14,300
Maintenance and repairs, elevators	5,832	5,000	5,000
Equip part of bookstacks with map cases, annex	29,878	20,000	20,000
Equip part of deck for bookshelving, annex	4,450	85,000	85,000
Installation of floor tile, both buildings	27,089	28,000	32,000
Pointing exterior stonework, both buildings	15,063	15,000	20,000
Repairs to mosaic ceilings and floor tile and marble floor tile, main building	10,573	20,000	20,000
Payment to employees' life insurance fund	932	1,000	1,000
Plumbing renewals in public toilets		8,000	4,000
Plaster repairs and renewals, both buildings		6,000	10,000
Restore and repair decorated plaster ceilings, 2d floor, exhibit hall, main building			10,000
Clean and refinish bronze entrance doors, both buildings			5,200
Reinforce deck 2, annex, west half, for map cases			4,000
Elevator modernization and improvements, both buildings			81,600
Air conditioning, Coolidge Auditorium			40,000
Replacement of pressure-reducing valves, annex		22,000	
Air conditioning, southwest pavilion cellar, main building			4,000
Survey and study to provide improved illumination			20,000
Alterations and equipment to provide improved exhibit facilities, main building			138,000
Installation of stairways and doors, 5th floor, annex (reading rooms to deck 12)		5,000	
Roof repairs and replacements, annex	95,357		
Replacement of 2 dumbwaiters, main building	3,802		
Repairs to leaded stained glass skylights, main building	16,490		
08 Supplies and materials	19,985	17,500	17,500
09 Equipment:			
Floor scrubbing machine		4,000	
Replace fire gongs, main building	1,420		
Miscellaneous equipment	1,626		
Sump pumps			1,500
10 Lands and structures	7,970	1,500	3,500
11 Grants, subsidies, and contributions	18,259	20,000	22,000
13 Refunds, awards, and indemnities	59		
Total obligations	674,815	693,400	1,019,100

FURNITURE AND FURNISHINGS

For furniture, partitions, screens, shelving, and electrical work pertaining thereto and repairs thereof, office and library equipment,

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apparatus, and labor-saving devices, [$75,000] *$156,000. (2 U. S. C. 141; 46 Stat. 583; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$75,000** Estimate 1960, **$156,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Furniture and furnishings for the Congressional Library buildings (total obligations)	$64,489	$75,000	$156,000
Financing:			
Unobligated balance no longer available	2,511		
Appropriation (new obligational authority)	67,000	75,000	156,000

Object Classification

07	Other contractual services:		
	Maintenance and repair, office machines and devices	$11,165	$9,500	$9,500
	Refinishing central desk, main reading room, main building		6,000	
09	Equipment:			
	Annual office furniture, equipment, and office machines	30,444	30,000	35,000
	Typewriter replacements	9,166	15,000	15,000
	Movable partitions	7,995	10,000	10,000
	Visible file cases for serial record and order divisions	1,200	1,225	1,500
	Carpeting for rare-book room, chief assistant librarian's office, and information and publications office		3,275	1,900
	60-cycle alternating current electric fans for main building			14,700
	Venetian blinds, main building			13,400
	Steel trays for Card Division			24,000
	Card sections for Copyright Office			6,200
	Addressograph-multigraph-multilith machines, Card Division and Copyright Office			11,000
	Microfilm reading machines	1,600		3,900
	Electric adding machines	1,777		2,800
	Calculators			1,500
	Bookkeeping machine, accounts office			4,000
	Tickometer machine			1,600
	Replacement of rugs, congressional reading room, main building	1,152		
	Total obligations	64,489	75,000	156,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Structural and mechanical repairs and improvements (total obligations)		$20,170	
Financing:			
Advances and reimbursements from other accounts		20,170	

Object Classification

07	Other contractual services		$20,170	

BOTANIC GARDEN

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; [$385,500: *Provided*, That hereafter no part of any appropriation for the Botanic Garden shall be used for the distribution, by congressional allotment, of trees, plants, shrubs, or other nursery stock] *$327,500. (40 U. S. C. 216; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$385,500** Estimate 1960, **$327,500**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance and operation of the Botanic Garden (total obligations)	$271,438	$385,500	$327,500
Financing:			
Unobligated balance no longer available	4,062		
Appropriation (new obligational authority)	275,500	385,500	327,500

Object Classification

	Total number of permanent positions	48		48		48
	Average number of all employees	46		45		47
	Average GS grade and salary	4.0	$3,958	4.0	$4,398	7.2	$5,731
	Average salary of ungraded positions		$4,454		$4,560		$4,572
01	Personal services:						
	Permanent positions		$190,758		$200,400		$234,000
	Positions other than permanent		1,420		3,000		3,000
	Other personal services		34,652		36,500		43,000
	Total personal services		226,830		239,900		280,000
02	Travel				150		150
03	Transportation of things				50		50
04	Communication services		125		100		100
	Penalty mail		20		100		100
05	Rents and utility services		418		300		300
07	Other contractual services:						
	General annual repairs		9,354		5,200		5,200
	Laundry		105		100		100
	Payment to employees' life insurance fund		590		600		600
	Repairs to main conservatory				100,000		
08	Supplies and materials		12,820		10,000		10,000
09	Equipment: Botanic Garden stock		9,389		15,400		15,400
10	Lands and structures: Annual care of grounds		546		100		100
11	Grants, subsidies, and contributions		11,241		13,500		15,400
	Total obligations		271,438		385,500		327,500

[RELOCATION OF GREENHOUSES]

[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.] *(Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$587,000**

Program and Financing

	1958 actual	1959 estimate	1960 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	

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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 Government of the United States. 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 for the blind. In terms of these broad fields of activity comparative obligations (including only those chargeable to annual appropriations) for 1958 and estimated for 1959 and 1960 are:

	1958 actual	*1959 estimate*	*1960 estimate*
General and basic services:			
Acquisition of library materials	$1,066,161	$1,198,520	$1,233,285
Organization of the collections	2,338,231	2,659,402	2,751,408
Reader and reference services	1,559,046	1,734,031	1,923,214
Maintenance and protective services	894,085	951,346	991,145
Executive direction and general administrative services	802,770	832,181	893,948
Total, general and basic services	6,660,293	7,375,480	7,793,000
Special service to the Congress: Legislative Reference Service	1,263,391	1,390,300	1,455,400
Specialized services:			
Copyright	1,326,505	1,397,256	1,478,500
Catalog card distribution service	1,713,003	1,878,635	1,935,800
Books for the blind	1,204,626	1,367,900	1,619,400
Total, specialized services	4,244,134	4,643,791	5,033,700
Total obligations	12,167,818	13,409,571	14,282,100

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.

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

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

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; [$6,200,000] *$7,156,200. (2 U. S. C. 131–166; 5 U. S. C. 150; 17 U. S. C. 1–215; 20 U. S. C. 91; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$6,200,000** Estimate 1960, **$7,156,200**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of library materials	$619,400	$678,140	$703,285
2. Organization of the collections	2,338,231	2,552,602	2,644,608
3. Reader and reference services	1,559,046	1,734,031	1,923,214
4. Maintenance and protective services	894,085	951,346	991,145
5. Executive direction and general administrative services	802,770	832,181	893,948
Total obligations	6,213,532	6,748,300	7,156,200
Financing:			
Comparative transfers from (−) other accounts	−$117,345		
Unobligated balance no longer available	3,813		
New obligational authority	6,100,000	$6,748,300	$7,156,200
New obligational authority:			
Appropriation	$6,100,000	$6,200,000	$7,156,200
Proposed supplemental due to pay increases		548,300	

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 1960 is to continue improvement in acquisitions procedures and in exchange relations with institutions in the more important areas of the world. The collections totaled 36,905,919 items as of June 30, 1958, and consisted of 11,411,475 books and pamphlets; 15,687,836 manuscript pieces and 9,806,608 maps, pieces of music, reels of microfilm, photographs, and other miscellaneous items. Of the items received, about 1 million are added to the permanent collections annually. Those received from various sources in 1958 and estimated for 1959 and 1960 are as follows:

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Purchase	444,668	500,000	525,000
Deposit by virtue of law:			
Copyright	374,608	375,000	380,000
Other	602,265	600,000	600,000
Transferred from Federal agencies	1,673,321	2,000,000	2,250,000
Official donation from State and local agencies	106,223	110,000	115,000
Exchange	457,930	500,000	500,000
Gift from individual and unofficial sources	852,632	1,000,000	1,000,000
Total	4,511,647	5,085,000	5,370,000

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 1960 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 1958 and estimated for 1959 and 1960 (not including processing activities performed by the Reference Department and the Law Library) are as follows:

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Volumes fully cataloged and added to the classified collection	133,070	155,000	165,000
Items otherwise organized for use (without full cataloging)	20,802	30,000	35,000
Cards filed in catalogs	1,538,105	1,600,000	1,600,000
Volumes bound	87,700	97,000	97,000
Items repaired, cleaned, mounted, etc	247,355	250,000	250,000
Cards received by the National Union Catalog	1,076,273	1,150,000	1,200,000
Serial parts processed	1,365,332	1,500,000	1,600,000

3. *Reader and reference services.*—Books and other library materials are provided inside and outside of the Library, reference and bibliographic assistance is rendered, and custody of the collections is maintained. The objec-

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tives of this activity for 1960 are to maintain adequate service to readers in all divisions; to provide for a limited extension of the hours of service in the main reading room and the Slavic reading room; and to improve reference and bibliographic service in science and technology and on the Near East area. The workload in all major activities is expected to increase in 1959 and 1960 as follows:

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Reader and reference services:			
Materials served	1,761,515	1,800,000	1,820,000
Units issued on loan	207,141	215,000	225,000
Reference inquiries answered in person	300,913	315,000	325,000
Reference requests by telephone	193,651	200,000	210,000
Reference letters	78,623	85,000	90,000
Law Library reader and reference service:			
Books and pamphlets served	360,426	365,000	375,000
Reference inquiries answered	79,426	84,000	88,000

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 stock rooms. 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.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	1,024	1,049	1,104
	Full-time equivalent of all other positions	39	42	42
	Average number of all employees	1,051	1,081	1,136
	Number of employees at end of year	1,139	1,145	1,200
	Average GS grade and salary	6.0 $4,896	6.2 $5,460	6.2 $5,508
	Average salary of ungraded positions	$3,152	$3,301	$3,297
01	Personal services:			
	Permanent positions	$5,011,796	$5,506,339	$5,846,743
	Positions other than permanent	115,106	126,860	126,860
	Other personal services	113,713	84,790	109,480
	Total personal services	5,240,615	5,717,989	6,083,083
02	Travel	3,523	1,300	1,300
03	Transportation of things	1,533	850	850
04	Communication services	58,856	55,550	55,550
05	Rents and utility services	35,237	34,900	39,900
06	Printing and reproduction	460,370	493,741	508,511
07	Other contractual services	52,968	44,480	45,615
08	Supplies and materials	34,364	26,800	26,800
09	Equipment		1,750	1,600
11	Grants, subsidies, and contributions	325,984	369,940	391,991
13	Refunds, awards, and indemnities	82	1,000	1,000
	Total obligations	6,213,532	6,748,300	7,156,200

Copyright Office

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, [$1,274,056] *$1,478,500. (17 U. S. C. 1–215; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$1,274,056** Estimate 1960, **$1,478,500**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Receiving and accounting for applications, fees, and correspondence	$302,591	$291,327	$307,316
2. Examining copyright applications	336,843	364,997	383,877
3. Indexing and cataloging materials received	321,026	370,528	389,358
4. Reference services	132,648	147,967	154,580
5. Printing the catalog of copyright entries and bulletins of decisions	21,138	35,000	35,000
6. General supervision and legal services	212,259	187,437	208,369
Total obligations	1,326,505	1,397,256	1,478,500

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$117,345		
Unobligated balance no longer available	3,150		
New obligational authority	1,447,000	$1,397,256	$1,478,500
New obligational authority:			
Appropriation	$1,447,000	$1,274,056	$1,478,500
Proposed supplemental due to pay increases		123,200	

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 personal service cost 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 1958 and estimates for 1959 and 1960 are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Income:			
Fees applied	$945,231	$968,861	$992,492
Estimated value of materials deposited	546,313	559,970	573,628
Total income	1,491,544	1,528,831	1,566,120
Costs:			
Salaries	1,183,189	1,236,285	1,297,143
Other costs	143,316	160,971	181,357
Total costs	1,326,505	1,397,256	1,478,500

The program and performance under each of the activities described are predicated on an estimated 250,881 copyright registrations during 1960, an estimated 244,908 during 1959, and an actual 239,935 during 1958.

1. *Receiving and accounting for applications, fees, and correspondence.*—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:

	1958 actual	*1959 estimate*	*1960 estimate*
Registrations	238,935	244,908	250,881
Mail received and dispatched	556,958	570,882	584,806

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Cases and documents examined	302,763	310,332	317,901
Registrations and recordation of documents	246,518	252,681	258,844

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. There were 238,935 registrations cataloged in 1958 and estimates for 1959 and 1960 are 244,908 and 250,881, respectively.

4. *Reference services.*—The Copyright Office makes available to the public, information concerning the provisions of the Copyright Act, including procedures, policies, and

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

COPYRIGHT OFFICE—Continued

SALARIES AND EXPENSES—continued

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Titles searched	72,808	74,628	76,448
Letters and search reports written	25,765	26,409	27,053

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 of the Copyright Office includes legal services relating to the status and improvement of copyright law in its foreign as well as domestic aspects. About 20 studies and a comprehensive report compiled by the Copyright Office in its program relating to a general revision of the copyright law will be ready for printing in 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	238	236	246
Average number of all employees	235	235	245
Number of employees at end of year	230	230	240
Average GS grade and salary	6.0 $4,717	5.9 $5,230	5.8 $5,246
Average salary of ungraded positions	$4,347	$4,545	$4,545
01 Personal services:			
Permanent positions	$1,167,619	$1,226,043	$1,282,159
Positions other than permanent		500	500
Other personal services	15,570	9,742	14,484
Total personal services	1,183,189	1,236,285	1,297,143
02 Travel	1,660	4,000	4,000
03 Transportation of things	3		
04 Communication services	8,400	8,500	8,500
06 Printing and reproduction	34,590	52,500	70,500
07 Other contractual services	16,782	11,260	11,260
08 Supplies and materials	7,795	5,000	5,000
09 Equipment	3,626		
11 Grants, subsidies, and contributions	70,460	79,711	82,097
Total obligations	1,326,505	1,397,256	1,478,500

LEGISLATIVE REFERENCE SERVICE

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), [$1,265,000] *$1,455,400*: *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. 166; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$1,265,000** Estimate 1960, **$1,455,400**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research and analysis	$1,034,685	$1,151,017	$1,212,798
2. Preparation of indexes and digests	73,834	77,570	78,079
3. Reference files, bibliographies, and congressional reader service	99,025	103,864	105,964
4. Administration	55,847	57,849	58,559
Total obligations	1,263,391	1,390,300	1,455,400

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance no longer available	$3,609		
New obligational authority	1,267,000	$1,390,300	$1,455,400
New obligational authority:			
Appropriation	$1,267,000	$1,265,000	$1,455,400
Proposed supplemental due to pay increases		125,300	

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 14 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, national defense, social welfare, science, and transportation and communications. Also available to the Members and committees are the preparation of charts, translations, reading lists, information in report form or otherwise, and answers to spot reference inquiries. In 1958, a total of 68,243 congressional inquiries were answered. Since 1950, the average annual increase in the number of inquiries has been 6.5%. The total of inquiries for 1959 is estimated at 72,500; and for 1960, at 77,000.

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

3. *Reference files, bibliographies 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 1958, a total of 77,562 reference file items were processed, 13,434 bibliographic entries prepared, 76,716 published items acquired and processed, and 3,247 readers served.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	163	171	180
Average number of all employees	158	162	171
Number of employees at end of year	173	181	190
Average GS grade and salary	9.1 $6,857	9.3 $7,763	9.2 $7,691
Average salary of ungraded positions	$3,863	$4,014	$4,014
01 Personal services:			
Permanent positions	$1,143,329	$1,257,292	$1,314,380
Positions other than permanent	220	500	500
Other personal services	7,273	10,340	15,430
Total personal services	1,150,822	1,268,132	1,330,310
02 Travel	1,399	1,000	1,000
04 Communication services	465	200	200
06 Printing and reproduction	14,111	13,000	13,000
07 Other contractual services	13,332	19,000	19,000
08 Supplies and materials	9,765	5,500	5,500
11 Grants, subsidies, and contributions	73,497	83,468	86,390
Total obligations	1,263,391	1,390,300	1,455,400

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Distribution of Catalog Cards

SALARIES AND EXPENSES

For expenses necessary for the preparation and distribution of catalog cards and other publications of the Library, [$1,777,535] *$1,935,800.* (*2 U. S. C. 150; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$1,777,535** Estimate 1960, **$1,935,800**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Supplying cards for the Library of Congress	$244,049	$279,844	$286,973
2. Supplying cards for other libraries	1,112,199	1,159,805	1,208,207
3. Preparation, printing, and distribution of publications related to cataloging	123,187	111,931	112,241
4. Preparation, printing, and distribution of the National Union Catalog	178,163	253,938	254,754
5. Preparation, printing, and distribution of the Subject Catalog	55,405	73,117	73,625
Total obligations	1,713,003	1,878,635	1,935,800
Financing:			
Unobligated balance no longer available	1,997		
New obligational authority	1,715,000	1,878,635	1,935,800
New obligational authority:			
Appropriation	$1,715,000	$1,777,535	$1,935,800
Proposed supplemental due to pay increases		101,100	

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 1958, about 91% of this appropriation was recovered from the sale of cards and publications. Receipts of $1,558,000 were deposited in miscellaneous receipts of the Treasury. The objectives for 1960 are: (1) Meeting the increased demand for catalog cards and maintaining a reasonable level of service and economy; (2) the continued expansion of the National Union Catalog; and (3) 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 1958 was 4,308,694; estimated for 1959, 4,385,000; and for 1960, 4,460,000.

2. *Supplying cards for other libraries.*—The number of cards sold in 1958 was 28,351,083; estimated for 1959, 28,351,000; and for 1960, 29,500,000.

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 989 paid subscriptions for all issues in calendar year 1958, and it is estimated that there will be 990 subscriptions for 1959 and 1,000 for 1960. Also included under this activity is the National Library of Medicine Catalog.

5. *Preparation, printing, and distribution of the Subject Catalog.*—This catalog is issued in three quarterly volumes with an annual cumulation. There were 401 paid subscriptions for calendar year 1958. It is estimated that there will be 401 paid subscriptions in 1959 and about 410 in 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	221	223	230
Average number of all employees	210	220	227
Number of employees at end of year	219	229	236
Average GS grade and salary	4.5 $4,085	4.5 $4,541	4.5 $4,574
Average salary of ungraded positions	$4,485	$4,867	$4,867
01 Personal services:			
Permanent positions	$890,715	$997,710	$1,037,038
Other personal services	57,971	3,896	7,792
Total personal services	948,686	1,001,606	1,044,830
02 Travel	1,617	3,400	3,400
03 Transportation of things	1,800	800	800
04 Communication services	36,212	44,150	44,150
05 Rents and utility services	215	300	300
06 Printing and reproduction	651,421	744,535	755,987
07 Other contractual services	5,523	3,404	3,404
08 Supplies and materials	11,626	15,500	15,500
11 Grants, subsidies, and contributions	55,903	64,940	67,429
Total obligations	1,713,003	1,878,635	1,935,800

Increase of the Library of Congress

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] *$350,000,* to continue available during the next succeeding fiscal year. (*2 U. S. C. 131, 132, 132a; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$320,000** Estimate 1960, **$350,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Purchase of books and other library materials (total obligations)	$332,856	$324,052	$350,000
Financing:			
Unobligated balance brought forward	−16,908	−4,052	
Unobligated balance carried forward	4,052		
Appropriation (new obligational authority)	320,000	320,000	350,000

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 1960 are: (1) The continued acquisition at the present level of selected important foreign newspapers and periodicals; (2) the acquisition of important materials from critical areas; (3) the direct purchase of selected current titles on microfilm as an economy measure in lieu of binding; and (4) the microfilming of deteriorating materials as a necessary preservative measure.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$14,496	$20,000	$20,000
03 Transportation of things	1,693	3,400	8,400
04 Communication services	9,705	9,400	9,400
07 Other contractual services	3,939	1,050	1,050
08 Supplies and materials		50	50
09 Equipment (books and other library materials)	303,023	290,152	311,100
Total obligations	332,856	324,052	350,000

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

INCREASE OF THE LIBRARY OF CONGRESS—Continued

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, 135, 137, 138; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$90,000** Estimate 1960, **$90,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Purchase of books and other library materials (total obligations)	$86,405	$106,328	$90,000
Financing:			
Unobligated balance brought forward	−12,733	−16,328	
Unobligated balance carried forward	16,328		
Appropriation (new obligational authority)	90,000	90,000	90,000

This appropriation constitutes the only means of acquiring lawbooks published in the regular domestic trade (except for copyright deposits) and many foreign lawbooks 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 a substantial part of the annual receipts is received by means other than purchase.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$600	$2,500	$2,500
03 Transportation of things	135	350	350
04 Communication services	3,001	3,150	3,150
09 Equipment (books and other library materials)	82,669	100,328	84,000
Total obligations	86,405	106,328	90,000

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, $30,000. *(2 U. S. C. 132; 28 U. S. C. 672; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$30,000** Estimate 1960, **$30,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Purchase of books and periodicals (total obligations)	$27,500	$30,000	$30,000
Financing:			
Appropriation (new obligational authority)	27,500	30,000	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

	1958 actual	1959 estimate	1960 estimate
09 Equipment (books and other library materials)	$27,500	$30,000	$30,000

BOOKS FOR THE BLIND

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Act approved March 3, 1931 (2 U. S. C. 135a), as amended, [$1,355,000] *$1,619,400. (2 U. S. C. 135a, 135a note, 135b; Act of Sept. 7, 1957, 71 Stat. 630; Legislative Branch Appropriation Act, 1959.)*

Appropriated 1959, **$1,355,000** Estimate 1960, **$1,619,400**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Procurement and distribution	$1,110,333	$1,268,703	$1,513,593
2. Cataloging, reference, circulation, and training services	94,293	99,197	105,807
Total obligations	1,204,626	1,367,900	1,619,400
Financing:			
Unobligated balance no longer available	1,374		
New obligational authority	1,206,000	1,367,900	1,619,400
New obligational authority:			
Appropriation	$1,206,000	$1,355,000	$1,619,400
Proposed supplemental due to pay increases		12,900	

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 30 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 are shown in the following table:

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Talking books purchased:			
(a) New titles	202	220	262
(b) Old titles re-recorded	15	23	32
Embossed books and magazines:			
(a) Press Braille, made to order, titles	172	170	204
(b) Purchased from catalog, readymade titles	60	------	------
Talking book machines:			
Purchased	8,385	11,200	11,100
Repaired	4,603	6,300	7,500
Salvaged—scrapped	4,400	4,500	6,000
Records replaced	1,910	3,700	3,700

Objectives for 1960 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, purchase of a limited number of machines utilizing the transistor technique, and continuation of the quality inspection program on books and machines and of research in sound reproduction and Braille printing.

2. *Cataloging, reference, circulation, 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. During the period 1946 to 1957 the number of readers throughout the country requiring catalogs from which to select reading matter has grown from 30,088 to 58,888 and circulation from 801,797 units (volumes or containers) to 1,554,935. The number of readers and circulation are expected to continue to increase in 1959 and 1960. Inquiries are received concerning library and related services available to the blind. Individuals

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throughout the Nation who are interested in transcribing or proofreading Braille are trained and those qualified are certified.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	25	25	28
Average number of all employees	25	25	28
Number of employees at end of year	30	25	28
Average GS grade and salary	5.0 $4,467.	5.1 $5,110	5.0 $5,052
01 Personal services:			
Permanent positions	$117,562	$127,750	$141,449
Positions other than permanent	1,000	953	953
Other personal services	482	491	491
Total personal services	119,044	129,194	142,893
02 Travel	4,097	5,350	5,350
03 Transportation of things	175	100	100
04 Communication services	1,124	1,000	1,000
06 Printing and reproduction	10,694	12,600	12,600
07 Other contractual services	83,013	85,790	90,790
08 Supplies and materials	19,728	9,900	9,900
09 Equipment	959,783	1,115,931	1,347,877
11 Grants, subsidies, and contributions	6,968	8,035	8,890
Total obligations	1,204,626	1,367,900	1,619,400

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), [$100,000] *$106,800*, to remain available until expended. (*2 U. S. C. 131; 71 Stat. 368; Legislative Branch Appropriation Act, 1959.*)

Appropriated 1959, **$100,000** Estimate 1960, **$106,800**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Organizing, arranging, indexing, and microfilming (total obligations)		$106,800	$106,800
Financing:			
New obligational authority		106,800	106,800
New obligational authority:			
Appropriation		$100,000	$106,800
Proposed supplemental due to pay increases		6,800	

Public Law 85–147 (71 Stat. 368), 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. The purpose is to preserve their contents and to make them more readily available for research. The program was started in 1959 with an appropriation of $100,000. The objectives for the second year will be to provide negative and positive service copy on microfilm of material arranged and indexed, and to commence publishing an index by photo-offset in an edition of 1,000 copies. Completion of the entire program is contemplated in about 6 years.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		15	15
Average number of all employees		15	15
Number of employees at end of year		15	15
Average GS grade and salary		5.6 $4,541	5.6 $4,541
01 Personal services:			
Permanent positions		$68,119	$68,119
Positions other than permanent		500	500
Total personal services		68,619	68,619
02 Travel		500	500
04 Communication services		50	50
05 Rents and utility services		1,440	1,440
06 Printing and reproduction		1,000	1,000
07 Other contractual services		30,615	30,615
08 Supplies and materials		250	250
11 Grants, subsidies, and contributions		4,326	4,326
Total obligations		106,800	106,800

Preservation of Early American Motion Pictures

For expenses necessary to enable the Librarian of Congress to provide for the conversion to safety base film of the George Kleine Collection of nitrate film, and the paper prints of early American motion pictures now in the custody of the Library, $60,000. (*2 U. S. C. 131; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$60,000** Estimate 1960, **$60,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Converting paper prints and nitrate film to safety film (total obligations)		$60,000	$60,000
Financing:			
Appropriation (new obligational authority)		60,000	60,000

The Supplemental Appropriation Act, 1959, appropriated $60,000 to provide for the conversion to safety base film of the George Kleine collection of nitrate film and the paper prints of early American motion pictures now in the custody of the Library.

During 1959, nearly all of the paper prints and a substantial portion of the 1,250,000 feet of nitrate film in the George Kleine collection will be converted. The request for 1960 will continue the conversion of these two collections and may even allow for the conversion of a small segment of the 33,750,000 feet of other nitrate film which also contains important cultural records of the past.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		2	2
Average number of all employees		2	2
Number of employees at end of year		2	2
Average GS grade and salary		3.0 $3,516	3.0 $3,516
01 Personal services: Permanent positions		$7,031	$7,031
03 Transportation of things		200	200
07 Other contractual services		51,925	51,925
08 Supplies and materials		400	400
11 Grants, subsidies, and contributions		444	444
Total obligations		60,000	60,000

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

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

ADMINISTRATIVE PROVISIONS—Continued

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, 1959.*)

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, development, test, and evaluation, Navy."
"Research, development, test, and evaluation, Air Force."
"Salaries and expenses," National Science Foundation.
"International educational exchange activities," Department of State.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Organization of collections:			
Department of Defense	$342,127	$363,216	$374,216
Other agencies	43,536	25,250	25,250
2. Reference services:			
Department of the Air Force	3,371,465	3,523,625	4,495,525
Other agencies	223,335	246,352	269,032
3. Legislative Reference Service:			
Congressional committees and commissions	62,488	179,580	105,000
Other agencies	161		
Total obligations	4,043,112	4,338,023	5,269,023
Financing:			
Unobligated balance brought forward	226,443	233,305	200,000
Advances and reimbursements from other accounts	4,050,838	4,304,718	5,269,023
Recovery of prior year obligations	79		
Unobligated balance carried forward	−233,305	−200,000	−200,000
Unobligated balance no longer available	−943		
Total financing	4,043,112	4,338,023	5,269,023

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		550		554		674
Full-time equivalent of all other positions		106		104		118
Average number of all employees		635		638		772
Number of employees at end of year		606		658		792
Average GS grade and salary		7.3	$5,320	7.6	$6,098	7.6	$6,129
01	Personal services:					
	Permanent positions	$2,988,023		$3,256,342		$4,008,407
	Positions other than permanent	432,998		469,704		551,342
	Other personal services	119,334		63,500		81,000
	Total personal services	3,540,355		3,789,546		4,640,749
02	Travel	18,497		36,557		34,557
03	Transportation of things	1,204		525		525
04	Communication services	16,602		12,277		11,777
05	Rents and utility services	4,599		3,350		3,350
06	Printing and reproduction	62,845		25,750		35,800
07	Other contractual services	120,110		174,122		194,272
08	Supplies and materials	46,896		36,940		36,790
09	Equipment	19,171		20,625		20,625
11	Grants, subsidies, and contributions	212,833		238,331		290,578
	Total obligations	4,043,112		4,338,023		5,269,023

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; [$10,700,000] *$11,500,000*: *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 Appropriation Act, 1959.*)

Appropriation 1959, **$10,700,000** Estimate 1960, **$11,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Printing, binding, and distribution (total obligations)	$11,771,357	$10,428,643	$10,000,000
Financing:			
Obligations in excess of availability (72 Stat. 452)	−1,771,357	−1,500,000	
Liquidation of prior year obligations		1,771,357	1,500,000
Appropriation (new obligational authority)	10,000,000	10,700,000	11,500,000

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

		1958 actual	1959 estimate	1960 estimate
06	Printing and reproduction	$11,771,357	$10,428,643	$10,000,000

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For necessary expenses of the Office of Superintendent of Documents, including compensation of all employees 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; [$3,295,190] *$3,520,350.* (*Legislative Branch Appropriation Act, 1959.*)

Appropriation 1959, **$3,295,190** Estimate 1960, **$3,520,350**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct costs:			
1. Sales distribution	$1,924,340	$2,073,428	$2,101,649
2. Distribution for other agencies and Members of Congress	506,188	545,134	552,695
3. Depository library distribution	552,744	597,217	605,500
4. Cataloging and indexing	239,098	256,411	260,506
Total direct costs	3,222,370	3,472,190	3,520,350
Reimbursable costs:			
2. Distribution for other agencies and Members of Congress	59,799	65,200	65,200
Total program costs	3,282,169	3,537,390	3,585,550

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	$4,788		
Total program (obligations)	3,286,957	$3,537,390	$3,585,550
Financing:			
Advances and reimbursements from other accounts	−59,799	−65,200	−65,200
Unobligated balance no longer available	6,754		
New obligational authority	3,233,912	3,472,190	3,520,350
New obligational authority:			
Appropriation	$3,233,912	$3,295,190	$3,520,350
Proposed supplemental due to pay increases		177,000	

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 in to the Treasury Department as miscellaneous receipts. For 1958, earnings from the sale of publications amounted to $3,142,099. It is estimated that earnings for 1959 will be $3,250,000 and $3,350,000 for 1960. These earnings more than cover the appropriation required to finance the sales program.

The sale of Government publications has been steadily increasing, and in the last 10 years the sales volume has more than doubled. The current public interest in the Government's publishing program points to a continuing increase in the volume of sales.

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 request of any Government agency. 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 583 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 the 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: 1957, $3,744; 1958, $8,532; 1959, $8,532; 1960, $8,532.

SUMMARY OF WORKLOAD

	1958 actual	*1959 estimate*	*1960 estimate*
Number of sales orders	2,499,935	2,550,000	2,600,000
Letters of inquiry	1,560,636	1,800,000	2,050,000
Amount of sales	$6,515,429	$6,700,000	$6,900,000
Number of publications sold	46,857,588	48,000,000	49,000,000
Publications distributed for other Government agencies	62,420,453	63,000,000	64,000,000
Number of publications distributed to depository libraries	4,355,026	4,500,000	4,700,000
Number of publications cataloged and indexed	45,891	48,000	51,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	474	501	501
Full-time equivalent of all other positions	56	36	36
Average number of all employees	521	532	532
Number of employees at end of year	474	501	501
Average salary of ungraded positions	$3,927	$4,255	$4,297
Personal service obligations:			
Permanent positions	$1,904,115	$2,111,187	$2,131,966
Positions other than permanent	206,815	146,433	146,433
Other personal services	28,988	25,300	25,300
Total personal service obligations	2,139,918	2,282,920	2,303,699
Direct obligations:			
01 Personal services	2,082,172	2,218,920	2,239,699
02 Travel	175	1,500	1,500
03 Transportation of things	1,259	1,200	1,200
04 Communication services	50,908	56,000	82,000
05 Rents and utility services	14,492	11,000	11,000
06 Printing and reproduction	637,780	691,920	691,920
07 Other contractual services	87,446	82,000	82,000
08 Supplies and materials	225,839	252,770	252,770
09 Equipment	15,522	33,100	33,100
11 Grants, subsidies, and contributions	111,565	123,780	125,161
Total direct obligations	3,227,158	3,472,190	3,520,350
Reimbursable obligations:			
01 Personal services	57,745	64,000	64,000
04 Communication services	1,561	1,000	1,000
08 Supplies and materials	493	200	200
Total reimbursable obligations	59,799	65,200	65,200
Total obligations	3,286,957	3,537,390	3,585,550

Intragovernmental funds:

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office executes orders for printing, binding, and blankbook work, placed by Congress and the various departments and independent agencies 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 has been established for authorized printing and binding for the Congress; for 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 is done on a reimbursable basis and financed through the Government Printing Office revolving fund.

Receipts from sales of publications by the Superintendent of Documents are deposited to this fund and cost of publications paid therefrom. Profits accruing from these transactions are deposited in the Treasury of the United States and credited to miscellaneous receipts (44 U. S. C. 63).

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$1,405,153	$1,850,000	$1,825,000
Expense:			
Materials applied	24,975,878	24,003,716	23,500,000
Other	63,695,976	64,436,284	63,935,000
Intradepartmental expense included above (−)	−813,137	−800,000	−800,000
Working capital adjustment	607,000		
Increase in selected working capital			500,000
Total gross expenditures	89,870,870	89,490,000	88,960,000
Receipts from operations (funds provided):			
Revenue	92,783,696	91,750,000	90,850,000
Proceeds from sale of equipment	69,033		
Decrease in selected working capital	1,592,562	500,537	
Total receipts from operations	94,445,291	92,250,537	90,850,000
Budget expenditures	−4,574,421	−2,760,537	−1,890,000

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GOVERNMENT PRINTING OFFICE—Continued

Intragovernmental funds—Continued

GOVERNMENT PRINTING OFFICE REVOLVING FUND—Continued

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$92,783,696	$91,750,000	$90,850,000
Expense	88,709,961	88,500,000	87,500,000
Net operating income	4,073,735	3,250,000	3,350,000
Nonoperating income or loss (−):			
Proceeds from sale of equipment	69,033		
Net book value of assets sold (−)	−25,632		
Net gain from sale of equipment	43,401		
Net income for the year	4,117,136	3,250,000	3,350,000
Analysis of retained earnings:			
Retained earnings, beginning of year	5,663,047	8,329,159	6,187,060
Payment of earnings to Treasury (−):			
Sale of publications	−1,451,024	−5,392,099	−3,350,000
Retained earnings, end of year	8,329,159	6,187,060	6,187,060

Financial Condition

Assets:			
Cash with Treasury and in banks	$16,790,710	$14,159,148	$12,699,148
Accounts receivable, net	7,333,052	7,335,000	7,335,000
Commodities for sale	2,829,984	2,830,000	2,830,000
Work in process	11,010,204	11,010,000	11,010,000
Supplies	5,362,296	4,858,580	5,358,580
Deferred charges	168,870	170,000	170,000
Equipment, net	8,759,715	9,749,715	10,709,715
Total assets	52,254,831	50,112,443	50,112,443
Liabilities:			
Current	9,110,289	9,110,000	9,110,000
Government investment:			
Non-interest-bearing capital:			
Start of year	35,422,383	34,815,383	34,815,383
Correction of opening capitalization	−607,000		
End of year	34,815,383	34,815,383	34,815,383
Retained earnings	8,329,159	6,187,060	6,187,060
Total Government investment	43,144,542	41,002,443	41,002,443

NOTE: Unpaid undelivered orders are as follows: June 30, 1957, $8,270,653; 1958, $9,852,269; 1959, $12,500,000; 1960, $11,000,000.

Accepted orders on hand (est.) are as follows: June 30, 1957, $11,197,655; 1958, $11,010,204; 1959, $11,010,000; 1960, $11,010,000.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	5,788	5,730	5,713
	Full-time equivalent of all other positions	2	2	2
	Average number of all employees	5,758	5,700	5,684
	Number of employees at end of year	5,752	5,694	5,677
	Average salary of ungraded positions	$4,998	$5,234	$5,235
01	Personal services:			
	Permanent positions	$28,942,940	$29,822,883	$29,740,945
	Positions other than permanent	7,814	7,000	6,500
	Other personal services	4,991,990	3,607,500	3,263,000
	Excess of annual leave taken (−) over leave earned	−120,763		
	Excess of annual leave earned over leave taken		25,617	25,555
	Total personal services	33,821,981	33,463,000	33,036,000
02	Travel	8,213	8,000	8,000
03	Transportation of things	678,443	690,000	670,000
04	Communication services	61,026	64,000	60,000
05	Rents and utility services	686,792	690,000	685,000
06	Printing and reproduction	27,164,492	28,000,000	28,000,000
07	Other contractual services	$237,853	$238,000	$235,000
08	Supplies and materials	23,414,501	23,500,000	24,000,000
09	Equipment	1,280,004	1,700,000	1,700,000
11	Grants, subsidies, and contributions	1,884,023	2,036,000	2,020,000
13	Refunds, awards, and indemnities	2,116	2,000	2,000
	Total accrued expenditures	89,239,444	90,391,000	90,416,000

Proposed for later transmission:

ACQUISITION OF SITE AND CONSTRUCTION OF ANNEX

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of annex (total obligations)		$5,251,000	
Financing:			
Proposed supplemental appropriation		5,251,000	

Under proposed legislation, 1959.—Enabling legislation and an appropriation are anticipated for 1959 to provide for the acquisition of property and the construction of a fireproof annex building for use of the Government Printing Office.

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 Senate and House, and clerk hire for Senators and Members shall be the permanent law with respect thereto: *Provided further*, That the provisions relating to positions and salaries thereof carried in H. Res. 219, 239, 378, 405, 486, 525, 550, 565, and 571 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. Effective July 1, 1958, the annual rates of basic compensation of the following members of the Capitol Police with more than four years service shall be: Lieutenants, $3,000; special officers, $3,000; sergeants, $2,700; and privates, $2,340. In computing length of service for the purposes of this paragraph, there shall be credited all service performed within any five-year period, whether or not continuous, as a member of the Capitol Police. A change in the rate of compensation based on the completion of four years service shall be effective on the first day of the first pay period which begins after such completion.] (*Legislative Branch Appropriation Act, 1959.*)

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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

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
General government:						
602 Judicial functions	$44,293	$48,477	$51,040	$43,624	$49,210	$50,879

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
SUPREME COURT OF THE UNITED STATES												
Current authorizations:												
Salaries	602	$1,238	$1,249	$70	$1,336	$1,192	$1,311	$3	$1,314	$1,258	$67	$1,325
Printing and binding Supreme Court reports	602	90	90		90	72	93		93	90		90
Miscellaneous expenses	602	63	75		74	60	76		76	74		74
Care of the building and grounds	602	218	284		352	292	286		286	352		352
Automobile for the Chief Justice	602	6	6		6	6	5		5	6		6
Total, Supreme Court of the United States		1,615	1,703	70	1,858	1,621	1,771	3	1,774	1,780	67	1,847
COURT OF CUSTOMS AND PATENT APPEALS												
Current authorizations:												
Salaries and expenses	602	274	309	16	332	261	325		325	316	16	332
CUSTOMS COURT												
Current authorizations:												
Salaries and expenses	602	677	699	46	832	667	781	1	782	787	45	832
COURT OF CLAIMS												
Current authorizations:												
Salaries and expenses	602	794	813	33	890	770	857		857	852	33	885
Repairs and improvements	602	9	9		10	8	10		10	10		10
Total, Court of Claims		803	822	33	900	778	867		867	862	33	895
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES												
Current authorizations:												
Salaries of judges	602	9,019	9,358		9,358	9,091	9,346		9,346	9,358		9,358
Salaries of supporting personnel	602	19,135	19,012	1,958	21,816	18,351	20,532	1,222	21,754	21,016	736	21,752
Fees of jurors and commissioners	602	4,925	4,995		5,120	4,898	5,115		5,115	4,940		4,940
Travel and miscellaneous expenses	602	2,839	2,975		3,733	2,821	3,138		3,138	3,497		3,497
Administrative Office of the United States Courts	602	870	950	77	1,404	840	1,008	77	1,085	1,324		1,324
Salaries of referees (indefinite special fund)	602	1,740	2,006		2,107	1,827	1,935		1,935	2,097		2,097
Expenses of referees (indefinite special fund)	602	2,396	2,626	213	3,580	2,333	2,871	97	2,968	3,330	116	3,446
Air conditioning courtrooms, offices, and other rooms	602					136	71		71			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Salaries of supporting personnel	602			14							14	14
Fees of jurors and commissioners	602			180							180	180
Travel and miscellaneous expenses	602			201							201	201
Administrative Office of the United States Courts	602			75				15	15		60	60
Expenses of referees (indefinite special fund)	602			139				35	35		104	104
Total, courts of appeals, district courts, and other judicial services		40,924	41,922	2,857	47,118	40,297	44,016	1,446	45,462	45,562	1,411	46,973
Total new obligational authority and budget expenditures		44,293	45,455	3,022	51,040	43,624	47,760	1,450	49,210	49,307	1,572	50,879
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$44,293	$45,455		$51,040	$43,624	$47,760			$49,307		
Proposed for later transmission:												
Pay increase supplemental appropriations			2,413				1,400			1,013		
Other: Appropriations			609				50			559		
Total new obligational authority and budget expenditures		44,293	48,477		51,040	43,624	49,210			50,879		

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$62		$67	$1,336	$1,258	$67		$78
Printing and binding Supreme Court reports		48		48		45	90	45	45		45
Miscellaneous expenses		8		11		10	74	64	10		10
Care of the building and grounds		88		14		12	352	340	12		12
Automobile for the Chief Justice						1	6	5	1		1
Total, Supreme Court of the United States		200		135		135	1,858	1,712	135		146
COURT OF CUSTOMS AND PATENT APPEALS											
Current authorizations:											
Salaries and expenses		20		30		30	332	302	30		30
CUSTOMS COURT											
Current authorizations:											
Salaries and expenses		73		82		45	832	787	45		45
COURT OF CLAIMS											
Current authorizations:											
Salaries and expenses		37		56		45	890	840	45		50
Repairs and improvements				1			10	10			
Total, Court of Claims		37		57		45	900	850	45		50
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES											
Current authorizations:											
Salaries of judges		310		238		250	9,358	9,108	250		250
Salaries of supporting personnel		735		1,520		736	21,816	21,016	736		800
Fees of jurors and commissioners		344		430		255	5,120	4,685	255		435
Travel and miscellaneous expenses		295		307		144	3,733	3,353	144		380
Administrative Office of the United States Courts		28		58			1,404	1,324			80
Salaries of referees (indefinite special fund)		147		60		70	2,107	2,027	70		80
Expenses of referees (indefinite special fund)		183		245		116	3,580	3,330	116		250
Air conditioning courtrooms, offices, and other rooms		362		71							
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Salaries of supporting personnel						14			14		
Fees of jurors and commissioners						180			180		
Travel and miscellaneous expenses						201			201		
Administrative Office of the United States Courts						60			60		
Expenses of referees (indefinite special fund)						104			104		
Total, courts of appeals, district courts, and other judicial services		2,404		2,929		2,130	47,118	44,843	2,130		2,275
Total, the judiciary		2,734		3,233		2,385	51,040	48,494	2,385		2,546
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations		$2,734		$3,233		$1,826					$2,546
Balances of anticipated pay increase supplementals not identified above						−1,013	$51,040	$48,494	$813		
Subtotal		2,734		3,233		813					2,546
Proposed for later transmission:											
Appropriations						559					
Balances of anticipated pay increase supplementals not identified above						1,013			1,572		
Subtotal						1,572					
Total, the judiciary		2,734		3,233		2,385	51,040	48,494	2,385		2,546

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balance brought forward at start of year from authorizations:			
Enacted or recommended in this document: Appropriations	$2,734	$3,233	$813
Proposed for later transmission:			
Pay increase supplemental appropriations			1,013
Other: Appropriations			559
Total balances brought forward	2,734	3,233	2,385
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	44,293	45,455	51,040
Proposed for later transmission:			
Pay increase supplemental appropriations		2,413	
Other: Appropriations		609	
Total new obligational authority proposed for later transmission		3,022	
Total new obligational authority	44,293	48,477	51,040
Other amounts available:			
Appropriations available in prior years		−55	
Appropriations available from subsequent years	55		
Total budget authorizations available	47,082	51,655	53,425
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	43,624	47,760	48,494
Out of balances of prior obligational authority			813
Total expenditures from obligational authority enacted or recommended	43,624	47,760	49,307
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		1,400	1,013
Other:			
Out of new obligational authority		50	
Out of balances of prior obligational authority			559
Total expenditures from obligational authority proposed for later transmission		1,450	1,572
Total budget expenditures	43,624	49,210	50,879
Amounts no longer available:			
Unobligated balances expiring and lapsing	59	61	
Adjustment of balances downward in expired accounts, net	166		
Total amounts no longer available	225	61	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document: Appropriations	3,233	813	2,546
Proposed for later transmission:			
Pay increase supplemental appropriations		1,013	
Other: Appropriations		559	
Total balances carried forward at close of year	3,233	2,385	2,546
Obligations incurred, net	$44,289	$48,361	$51,040

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SUPREME COURT OF THE UNITED STATES

Current authorizations:

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, [$1,249,000] *$1,335,600.* (*28 U. S. C. 1, 5, 671–675; Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$1,249,000** Estimate 1960, **$1,335,600**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries, Supreme Court (total obligations)	$1,197,313	$1,319,000	$1,335,600
Financing:			
Unobligated balance no longer available	40,687		
New obligational authority	1,238,000	1,319,000	1,335,600
New obligational authority:			
Appropriation	$1,238,000	$1,249,000	$1,335,600
Proposed supplemental due to pay increases		70,000	

Object Classification

	Total number of permanent positions	163	164	164
	Full-time equivalent of all other positions	17	20	20
	Average number of all employees	165	177	177
	Number of employees at end of year	189	199	199
01	Personal services:			
	Permanent positions	$1,084,540	$1,177,578	$1,190,578
	Positions other than permanent	55,198	73,422	73,422
	Other personal services	3,356	3,600	7,200
	Total personal services	1,143,094	1,254,600	1,271,200
07	Other contractual services	2,931	3,400	3,400
11	Grants, subsidies, and contributions	51,288	61,000	61,000
	Total obligations	1,197,313	1,319,000	1,335,600

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, 1959.*)

Appropriated 1959, **$90,000** Estimate 1960, **$90,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Printing and binding Supreme Court reports (total obligations)	$78,351	$90,000	$90,000
Financing:			
Unobligated balance no longer available	11,649		
Appropriation (new obligational authority)	90,000	90,000	90,000

Object Classification

06	Printing and reproduction	$78,351	$90,000	$90,000

MISCELLANEOUS EXPENSES

For miscellaneous expenses, to be expended as the Chief Justice may approve, [$74,500] *$74,000.* (*Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$74,500** Estimate 1960, **$74,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous expenses, Supreme Court (total obligations)	$62,429	$74,500	$74,000
Financing:			
Unobligated balance no longer available	71		
Appropriation (new obligational authority)	62,500	74,500	74,000

Object Classification

02	Travel	$66	$500	$1,000
03	Transportation of things			500
04	Communication services	10,421	11,000	11,000
	Penalty mail	1,300	1,300	1,700
05	Rents and utility services	1,800	1,800	1,800
06	Printing and reproduction	19,090	14,150	14,150
07	Other contractual services	5,312	2,900	5,100
	Services performed by other agencies	206	500	
08	Supplies and materials	14,713	15,750	19,150
09	Equipment	9,521	26,600	19,600
	Total obligations	62,429	74,500	74,000

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); [$284,000] *$352,000.* (*Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$284,000** Estimate 1960, **$352,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Structural and mechanical care of Supreme Court Building and grounds, including supplying of mechanical furnishings and equipment (total obligations)	$217,813	$284,000	$352,000
Financing:			
Unobligated balance no longer available	387		
Appropriation (new obligational authority)	218,200	284,000	352,000

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	$152,890	$160,800	$173,800
	Other personal services	37,318	42,000	47,300
	Total personal services	190,208	202,800	221,100
07	Other contractual services:			
	General annual repairs	5,428	9,000	9,000
	Annual painting	2,205	2,000	2,000
	Snow removal	445	150	150
	Payment to employees' life insurance fund	526	700	700
	Maintenance, air-conditioning system	2,792	10,000	8,600
	Roof repairs			23,000
	Pointing exterior stonework			18,000
	Installation of electronic bird elimination system			35,000
	Repairs and improvements to space vacated by Administrative Office of the United States courts		42,000	
08	Supplies and materials	6,026	6,000	6,000
09	Equipment:			
	Annual	338	750	750
	Laundry			4,000
	Sump pumps			1,000
	Metal shelving and lighting			10,400
11	Grants, subsidies, and contributions	9,760	10,600	12,300
13	Refunds, awards, and indemnities	85		
	Total obligations	217,813	284,000	352,000

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SUPREME COURT OF THE UNITED STATES—Con.

Current authorizations—Continued

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] *$6,300.* (*Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$5,835** Estimate 1960, **$6,300**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Automobile for the Chief Justice (total obligations)	$5,813	$6,300	$6,300
Financing:			
Unobligated balance no longer available	22		
New obligational authority	5,835	6,300	6,300
New obligational authority:			
Appropriation	$5,835	$5,835	$6,300
Proposed supplemental due to pay increases		465	

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 positions	$4,204	$4,472	$4,472
Other personal services	17	17	34
Total personal services	4,221	4,489	4,506
05 Rents and utility services	500	500	500
07 Other contractual services	329	320	303
08 Supplies and materials	500	700	700
11 Grants, subsidies, and contributions	263	291	291
Total obligations	5,813	6,300	6,300

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Communication services	$9,647	$9,500	$9,500
2. Supplies and materials	23		
3. Equipment	300		
Total obligations	9,970	9,500	9,500
Financing:			
Advances and reimbursements from—			
Other accounts	9,670	9,500	9,500
Non-Federal sources (40 U. S. C. 481 (c))	300		
Total financing	9,970	9,500	9,500

Object Classification

04 Communication services	$9,647	$9,500	$9,500
08 Supplies and materials	23		
09 Equipment	300		
Total obligations	9,970	9,500	9,500

COURT OF CUSTOMS AND PATENT APPEALS

Current authorizations:

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, [$308,450] *$332,000.* (*5 U. S. C. 836–842; 28 U. S. C. 211–213, 604, 831–834; 961, 962; Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$308,450** Estimate 1960, **$332,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries and expenses (total obligations)	$273,784	$324,400	$332,000
Financing:			
Unobligated balance no longer available	216		
New obligational authority	274,000	324,400	332,000
New obligational authority:			
Appropriation	$307,000	$308,450	$332,000
Transferred to "Salaries of supporting personnel" (72 Stat. 243)	−33,000		
Appropriation (adjusted)	274,000	308,450	332,000
Proposed supplemental due to pay increases		15,950	

This item is not subject to the approval of the Judicial Conference.

The United States Court of Customs and Patent Appeals has exclusive jurisdiction in appeals from judgments of the United States Customs Court in all cases involving the construction of the law and facts respecting the classification of merchandise and the rate of duty imposed thereunder and all appealable questions as to the 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 and in the matter of unfair practices in import trade, and appellate jurisdiction from decisions of the Patent Office in patent and trade-mark cases, except those involving equity.

	Customs cases		*Patent and trade-mark cases*	
	1957	*1958*	*1957*	*1958*
Pending, beginning of year	23	20	84	92
Docketed during year	40	42	82	83
Disposed of during year	43	32	74	83
Pending, close of year	20	30	92	92

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	26	26	26
Average number of all employees	24	26	26
Number of employees at end of year	23	26	26
01 Personal services:			
Permanent positions	$239,995	$278,970	$280,970
Positions other than permanent		10,450	10,450
Other personal services	508	580	1,180
Total personal services	240,503	290,000	292,600
02 Travel	228	300	300
03 Transportation of things	41	50	50
04 Communication services	1,438	1,500	1,500
Penalty mail	280	500	500
06 Printing and reproduction	14,364	12,000	17,000
07 Other contractual services	2,313	1,050	1,050
08 Supplies and materials	689	1,000	1,000
09 Equipment	2,069	3,800	3,800
11 Grants, subsidies, and contributions	11,859	14,200	14,200
Total obligations	273,784	324,400	332,000

CUSTOMS COURT

Current authorizations:

SALARIES AND EXPENSES

For salaries of the chief judge and eight judges; salaries of the officers and employees of the court; *services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);* and necessary expenses of the court, including exchange of books, and traveling expenses, as may be approved by the chief judge; [$699,620] *$832,000: 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, 604, 871, 872, 961, 962; Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$699,620** Estimate 1960, **$832,000**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries and expenses (total obligations)	$675,273	$745,400	$832,000
Financing:			
Unobligated balance no longer available	1,737		
New obligational authority	677,010	745,400	832,000
New obligational authority:			
Appropriation	$677,010	$699,620	$832,000
Proposed supplemental due to pay increases		45,780	

This item is not subject to the approval of the Judicial Conference.

The United States Customs Court has exclusive jurisdiction over civil actions arising under the tariff laws, the internal revenue laws relating to imported merchandise, the several customs simplification acts, the proclamations of the President issued under reciprocal trade agreements, and other proclamations imposing taxes or quotas on imported goods. The court also has appellate jurisdiction of cases litigating the value of imported merchandise. It tries cases without a jury, making findings of fact and applying the law.

CASELOAD

	Pending, beginning of year	*Received*	*Terminated*	*Pending, end of year*
Classification cases:				
1957	131,567	24,670	19,931	136,306
1958	136,306	25,047	38,478	122,875
Reappraisement cases:				
1957	85,008	16,067	25,221	75,854
1958	75,854	26,842	16,028	86,668
Applications for review:				
1957	8	288	23	273
1958	273	290	133	430
Petitions for remission of additional duties:				
1957	47	8	34	21
1958	21	10	17	14
Remands of protests:				
1957	135	64	132	67
1958	67	141	121	87

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	81	81	93
Full-time equivalent of all other positions	2	2	2
Average number of all employees	79	82	94
Number of employees at end of year	86	83	95
01 Personal services:			
Permanent positions	$595,466	$653,400	$708,780
Positions other than permanent	4,822	6,600	6,600
Other personal services	1,512	1,700	3,820
Total personal services	601,800	661,700	719,200
02 Travel	15,048	17,000	17,000
03 Transportation of things	2,230	2,000	2,000
04 Communication services	7,658	7,500	7,500
Penalty mail	999	1,000	1,300
06 Printing and reproduction	2,032	4,200	4,200
07 Other contractual services	2,248	4,400	29,400
08 Supplies and materials	2,251	4,000	4,000
09 Equipment	10,104	9,000	9,000
11 Grants, subsidies, and contributions	30,630	34,500	38,300
15 Taxes and assessments	273	100	100
Total obligations	675,273	745,400	832,000

COURT OF CLAIMS

Current authorizations:

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, [$812,655] *$890,000. (5 U. S. C. 836–842; 28 U. S. C. 171, 173, 456, 604, 791, 792, 794, 795, 961, 962; 41 U. S. C. 114; Judiciary Appropriation Act, 1959.)*

Appropriated 1959, **$812,655** Estimate 1960, **$890,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries and expenses (total obligations)	$790,356	$845,800	$890,000
Financing:			
Unobligated balance no longer available	3,499		
New obligational authority	793,855	845,800	890,000
New obligational authority:			
Appropriation	$810,855	$812,655	$890,000
Transferred to "Salaries of supporting personnel" (72 Stat. 243)	−17,000		
Appropriation (adjusted)	793,855	812,655	890,000
Proposed supplemental due to pay increases		33,145	

The 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 exclusive jurisdiction to review the decisions of the Indian Claims Commission on appeal from that Commission. It also has jurisdiction in special act cases referred to the court by either or both houses of Congress.

The court continues to carry a heavy load of cases and has been able to dispose of the cases which are ready to be heard as expeditiously as the Department of Justice can process them. At the beginning of the court year, October 5, 1957, there were 6,741 cases pending. As of October 4, 1958, there were 6,849 cases pending. During the above period 1,547 new cases were filed and 1,439 cases were disposed of.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	78	78	78
Average number of employees	73	76	78
Number of employees at end of year	75	76	78
01 Personal services:			
Permanent positions	$655,428	$705,300	$737,100
Other personal services	1,992	2,200	4,700
Total personal services	657,420	707,500	741,800
02 Travel	9,140	16,000	16,000
04 Communication services	2,682	2,700	2,700
Penalty mail	697	800	1,000
05 Rents and utility services	4,074	4,100	4,400
06 Printing and reproduction	62,857	60,700	65,700
07 Other contractual services	2,438	2,500	2,500
08 Supplies and materials	5,052	5,400	5,400
09 Equipment	8,552	5,800	8,000
11 Grants, subsidies, and contributions	37,444	40,300	42,500
Total obligations	790,356	845,800	890,000

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] *$9,500. (31 Stat. 1135; Judiciary Appropriation Act, 1959.)*

Appropriated 1959, **$9,000** Estimate 1960, **$9,500**

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COURT OF CLAIMS—Continued

Current authorizations—Continued

REPAIRS AND IMPROVEMENTS—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Structural and mechanical maintenance (total obligations)	$8,999	$9,000	$9,500
Financing:			
Unobligated balance no longer available	1		
Appropriation (new obligational authority)	9,000	9,000	9,500

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

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services:			
General annual repairs	$3,123	$5,000	$5,000
Annual painting	5,876	4,000	4,500
Total obligations	8,999	9,000	9,500

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

Current authorizations:

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; $9,358,500. *(28 U. S. C. 44, 133, 135; 48 U. S. C. 101, 632, 634a, 1424b, 1614; 70 Stat. 123, 1026; 7 C. Z. Code, secs. 30, 42; Judiciary Appropriation Act, 1959.)*

Appropriated 1959, **$9,358,500** Estimate 1960, **$9,358,500**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries (total obligations)	$9,018,510	$9,358,500	$9,358,500
Financing:			
Unobligated balance no longer available	90		
New obligational authority	9,018,600	9,358,500	9,358,500
New obligational authority:			
Appropriation	$9,075,000	$9,358,500	$9,358,500
Transferred (72 Stat. 243) to—			
"Administrative Office of the United States Courts"	−29,400		
"Salaries of supporting personnel"	−27,000		
Appropriation (adjusted)	9,018,600	9,358,500	9,358,500

The statutory salaries of all active United States circuit and district judges, the justices and judges of the Supreme Court and the circuit courts of Hawaii, and all justices and judges who have retired or resigned in pursuance of law are payable from this appropriation. This item also includes the payment of annuities to the seven surviving widows of Supreme Court justices, the Government's contribution to the judicial survivors annuity fund, and the Government's contribution to the civil service retirement fund to match the deductions from the salaries of those judges in the Territories and possessions appointed for a term of years and who do not elect to avail themselves of the provisions of 28 U. S. C. 373.

Salaries were paid to an average of 386 judges in 1958. The appropriation for 1959 will permit the payment of salaries to an average of 402 judges. On July 1, 1958, there were 386 judges on the rolls, but it is expected that the number of retirements and appointments to resulting vacancies will cause an increase early in the year in the number of judges to be paid. It is estimated that the number of judges on the rolls in 1960 will be the same as in 1959.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions:			
Active judges	330	330	330
Retired and resigned judges	70	79	79
Average number of judges	386	402	402
Number of judges at end of year:			
Active judges	316	324	324
Retired and resigned judges	70	79	79
01 Personal services: Permanent positions	$8,734,400	$9,067,800	$9,067,800
07 Other contractual services	13,258	13,500	13,500
11 Grants, subsidies, and contributions	235,852	242,200	242,200
12 Pensions, annuities, and insurance claims	35,000	35,000	35,000
Total obligations	9,018,510	9,358,500	9,358,500

SALARIES OF SUPPORTING PERSONNEL

For salaries of all officials and employees of the Federal Judiciary, not otherwise specifically provided for, [$19,011,700] *$21,815,800*: *Provided*, That the compensation of secretaries and law clerks of circuit and district judges shall be fixed by the Director of the Administrative Office *of the United States Courts* 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) 7, 8, 9, 10, 11, or 12, as the appointing judge shall determine, subject to review by the Judicial Conference *of the United States* 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 *and to the crier appointed by or the messenger assigned to him* shall not exceed [$13,485] *$18,590* 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] *judgeships*, in which case the aggregate salaries shall not exceed [$18,010] *$23,570* per annum. *(18 U. S. C. 3654, 3656; 28 U. S. C. 604 (a) (5), 631 (a), 633 (c), 634, 711 (a) (b), 712, 713 (a) (b) (c), 751 (a) (b), 752, 753, 755; 48 U. S. C. 102, 104, 106, 107, 863, 1405y; 11 D. C. C. C. 312; 19 D. C. C. C. 401, 403; 7 C. Z. Code, sec. 36; Judiciary Appropriation Act, 1959.)*

Appropriated 1959, **$19,011,700** Estimate 1960, **$21,815,800**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries and related costs:			
Direct obligations	$19,135,200	$20,970,200	$21,815,800
Reimbursable obligations	6,638	7,000	7,000
Total obligations	19,141,838	20,977,200	21,822,800
Financing:			
Advances and reimbursements from other accounts	−6,638	−7,000	−7,000
New obligational authority	19,135,200	20,970,200	21,815,800

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$19,058,200	$19,011,700	$21,815,800
Transferred (72 Stat. 243) from—			
"Salaries of judges"	27,000		
"Salaries and expenses," Court of Customs and Patent Appeals	33,000		
"Salaries and expenses," Court of Claims	17,000		
Appropriation (adjusted)	19,135,200	19,011,700	21,815,800
Proposed supplemental due to pay increases		1,958,500	

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.

A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

CASELOAD

	Pending, beginning of year	*Received*	*Terminated*	*Pending, end of year*
Court of appeals:				
1957	2,029	3,701	3,687	2,043
1958	2,043	3,694	3,704	2,033
District courts:				
Civil—1957	63,526	62,380	63,568	62,338
1958	62,338	67,115	61,285	68,168
Criminal—1957	7,304	28,120	27,929	7,495
1958	7,495	28,897	28,992	7,451

	1957	*1958*
Passport applications filed	171,737	185,684
Probation system:		
Persons under supervision, end of year	33,133	33,775
Pre-sentence investigations, during year	23,168	24,508

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3,265	3,295	3,358
Full-time equivalent of all other positions	47	50	54
Average number of all employees	3,239	3,287	3,367
Number of employees at end of year	3,320	3,330	3,410
Personal service obligations:			
Permanent positions	$17,610,381	$19,293,700	$19,993,100
Positions other than permanent	207,380	215,000	235,000
Other personal services	126,046	139,000	218,700
Total personal service obligations	17,943,807	19,647,700	20,446,800
Direct obligations:			
01 Personal services	17,937,169	19,640,700	20,439,800
07 Other contractual services	52,491	59,000	60,500
11 Grants, subsidies, and contributions	1,143,034	1,267,800	1,312,800
15 Taxes and assessments	2,506	2,700	2,700
Total direct obligations	19,135,200	20,970,200	21,815,800
Reimbursable obligations:			
01 Personal services	6,638	7,000	7,000
Total obligations	19,141,838	20,977,200	21,822,800

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; [$4,995,000: *Provided*, That $70,000 of the foregoing amount shall be immediately available] *$5,120,000.* (*11 U. S. C. 203 (b); 28 U. S. C. 631, 633, 636, 1864, 1865, 1871; 48 U. S. C. 25, 867; 70 Stat. 745; 11 D. C. C. 1401; Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$4,995,000** Estimate 1960, **$5,120,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Fees, expenses, and costs (total obligations)	$4,980,000	$4,940,000	$5,120,000
Financing:			
Appropriation available from subsequent year	−55,000		
Appropriation available in prior year		55,000	
Appropriation (new obligational authority)	4,925,000	4,995,000	5,120,000

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 continue to be heavy as the general activities of the courts remain at a high level. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
01 Personal services: Fees, United States commissioners	$760,000	$725,000	$780,000
07 Other contractual services: Fees:			
Jury commissioners	8,585	10,000	10,000
Grand jurors	572,865	570,000	570,000
Petit jurors	3,614,850	3,611,000	3,735,000
11 Grants, subsidies, and contributions	13,000	13,000	13,000
15 Taxes and assessments	10,700	11,000	12,000
Total obligations	4,980,000	4,940,000	5,120,000

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, [$2,975,000] *$3,733,000: Provided*, That this sum shall be available in an amount not to exceed $14,000 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. 3656; 28 U. S. C. 456, 604, 639, 961, 962, 1915b; 48 U. S. C. 102, 114, 863, 1405y; 7 C. Z. Code, sec. 30; Judiciary Appropriation Act, 1959.*)

Appropriated 1959, **$2,975,000** Estimate 1960, **$3,733,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Travel and miscellaneous expenses:			
Direct obligations	$2,839,000	$2,975,000	$3,733,000
Reimbursable obligations	12,000	3,500	3,500
Total obligations	2,851,000	2,978,500	3,736,500
Financing:			
Advances and reimbursements from other accounts	−12,000	−3,500	−3,500
Appropriation (new obligational authority)	2,839,000	2,975,000	3,733,000

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Current authorizations—Continued

TRAVEL AND MISCELLANEOUS EXPENSES—Continued

Travel and subsistence expenses incurred by the judges, officials, and supporting personnel of the courts in attending sessions of court or transacting other official business are payable by the Government. Provision is also made for 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 larger appropriation in 1960 than for 1959 for the impersonal expenses of operating the courts. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
02 Travel	$1,250,960	$1,346,100	$1,359,700
03 Transportation of things	25,937	25,000	25,500
04 Communication services	358,525	336,200	442,200
Penalty mail	89,934	92,000	121,900
05 Rents and utility services	3,702	5,000	5,000
06 Printing and reproduction	162,995	168,700	211,300
07 Other contractual services	44,617	42,000	59,800
Transcripts ordered by court	60,297	45,000	73,000
Attorneys' fees, Commission on Mental Health, District of Columbia		1,000	1,000
08 Supplies and materials	183,168	190,200	216,400
09 Equipment:			
General office	100,994	104,000	168,400
Furniture	94,522	144,800	446,500
Lawbooks, accessions	114,269	103,000	194,000
Lawbooks, continuations	349,080	372,000	408,300
Total direct obligations	2,839,000	2,975,000	3,733,000
Reimbursable obligations:			
06 Printing and reproduction	12,000	3,500	3,500
Total obligations	2,851,000	2,978,500	3,736,500

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

For necessary expenses of the Administrative Office of the United States Courts, including travel, advertising, *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,* and rent in the District of Columbia and elsewhere, [$950,000] *$1,404,400. (28 U. S. C. 601–606; 70 Stat. 738, 739; 72 Stat. 213; Judiciary Appropriation Act, 1959.)*

Appropriated 1959, **$950,000** Estimate 1960, **$1,404,400**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries and expenses:			
Direct obligations	$869,850	$1,026,900	$1,404,400
Reimbursable obligations	4,286	4,000	4,000
Total obligations	874,136	1,030,900	1,408,400
Financing:			
Advances and reimbursements from other accounts	−4,286	−4,000	−4,000
New obligational authority	869,850	1,026,900	1,404,400

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$840,450	$950,000	$1,404,400
Transferred from "Salaries of judges" (72 Stat. 243)	29,400		
Appropriation (adjusted)	869,850	950,000	1,404,400
Proposed supplemental due to pay increases		76,900	

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 consist of 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; administering the probation and bankruptcy systems; and conducting the general business affairs of the courts.

The estimates for 1960 provide for the study of the rules of practice and procedure in Federal courts pursuant to Public Law 85–513; for the expansion of statistical studies and examination and survey of court dockets; for an improved program of personnel administration; and for closer coordination between the 94 probation units and the Administrative Office. New projects are being developed to cope with the serious congestion existing in a number of courts and to meet the increasing administrative and fiscal work in the judiciary. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	141	144	177
Full-time equivalent of all other positions	1	1	1
Average number of all employees	127	139	172
Number of employees at end of year	137	142	175
Personal service obligations:			
Permanent positions	$690,042	$846,500	$1,113,400
Positions other than permanent	2,514	3,000	20,500
Other personal services	7,461	3,200	13,500
Total personal service obligations	700,017	852,700	1,147,400
Direct obligations:			
01 Personal services	695,731	848,700	1,143,400
02 Travel	16,580	19,200	45,400
04 Communication services	9,982	9,200	18,000
Penalty mail	5,500	6,000	9,500
05 Rents and utility services	36,377	20,100	36,900
06 Printing and reproduction	12,907	10,600	12,200
07 Other contractual services	13,083	44,000	16,100
08 Supplies and materials	9,577	7,500	11,900
09 Equipment	25,208	13,600	47,500
11 Grants, subsidies, and contributions	44,831	47,900	63,400
15 Taxes and assessments	74	100	100
Total direct obligations	869,850	1,026,900	1,404,400
Reimbursable obligations:			
01 Personal services	4,286	4,000	4,000
Total obligations	874,136	1,030,900	1,408,400

SALARIES OF REFEREES

(Indefinite special fund)

For salaries of referees as authorized by the Act of June 28, 1946, as amended (11 U. S. C. 68), not to exceed [$2,006,500] *$2,106,500,* to be derived from the referees' salary fund established in pursuance of said Act. *(Judiciary Appropriation Act, 1959.)*

Appropriated 1959, **$2,006,500** Estimate 1960, **$2,106,500**

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Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance at beginning of year	$3,773,732	$4,159,608	$4,862,858
Receipts	2,125,622	2,649,000	2,494,000
Unobligated balance returned to unappropriated receipts	49	60,750	
Total available for appropriation	5,899,403	6,869,358	7,356,858
Deduct appropriation	1,739,795	2,006,500	2,106,500
Unappropriated balance at end of year	4,159,608	4,862,858	5,250,358

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries of referees and related costs (total obligations)	$1,739,795	$1,945,750	$2,106,500
Financing:			
Unobligated balance no longer available		60,750	
Appropriation (new obligational authority)	1,739,795	2,006,500	2,106,500

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 and has been 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. Cases filed in 1958 totaled 91,668, or 17,907 more than in 1957. It is estimated on the basis of current trends that new cases filed in 1959 and 1960 will total 107,000 and 117,000, 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 years.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions:			
Full-time	97	102	112
Part-time	75	69	69
Total	172	171	181
Full-time equivalent of part-time positions	37	35	35
Average number of all employees	134	137	147
Number of employees at end of year	168	171	181
01 Personal services:			
Permanent positions	$1,244,095	$1,448,750	$1,598,750
Positions other than permanent	386,475	372,600	373,100
Total personal services	1,630,570	1,821,350	1,971,850
07 Other contractual services	3,776	6,000	6,500
11 Grants, subsidies, and contributions	105,449	118,400	128,150
Total obligations	1,739,795	1,945,750	2,106,500

Expenses of Referees

(Indefinite special fund)

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 [$2,625,550] *$3,580,000*, 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, 1959.*)

Appropriated 1959, **$2,625,550** Estimate 1960, **$3,580,000**

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance at beginning of year	$1,976,506	$1,882,972	$2,107,322
Receipts	2,301,675	3,062,500	3,580,000
Unobligated balance returned to unappropriated receipts	491		
Total amount available for appropriation	4,278,672	4,945,472	5,687,322
Deduct—			
Appropriation	2,395,700	2,625,550	3,580,000
Proposed supplemental due to pay increases		212,600	
Unappropriated balance at end of year	1,882,972	2,107,322	2,107,322

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Clerk hire and miscellaneous expenses of referees (total obligations)	$2,395,700	$2,838,150	$3,580,000
Financing			
New obligational authority	2,395,700	2,838,150	3,580,000
New obligational authority:			
Appropriation	$2,395,700	$2,625,550	$3,580,000
Proposed supplemental due to pay increases		212,600	

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. These expenses are paid from special funds created by payments of fees and charges by parties to the proceedings. The system is self-sustaining, and no appropriation from the general fund of the Treasury is required.

In order to process the anticipated increase in volume of cases it is necessary to provide for expansion of the referees' staffs and their facilities in 1960. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	403	462	582
Full-time equivalent of all other positions	63	58	58
Average number of all employees	448	513	631
Number of employees at end of year	537	569	687
01 Personal services:			
Permanent positions	$1,543,075	$1,928,000	$2,432,300
Positions other than permanent	214,929	219,500	219,500
Other personal services	7,666	9,000	18,000
Total personal services	1,765,670	2,156,500	2,669,800
02 Travel	66,995	72,600	82,600
03 Transportation of things	8,549	8,000	9,000
04 Communication services	48,210	53,000	70,000
Penalty mail	120,167	125,000	175,000
05 Rents and utility services	53,155	68,000	103,000
06 Printing and reproduction	21,185	26,000	30,000
07 Other contractual services	15,984	22,300	24,900
08 Supplies and materials	63,706	70,000	82,000
09 Equipment	122,801	102,450	166,350
11 Grants, subsidies, and contributions	106,631	132,300	165,100
15 Taxes and assessments	2,647	2,000	2,250
Total obligations	2,395,700	2,838,150	3,580,000

Proposed for later transmission:

Salaries of Supporting Personnel

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries and related costs (total obligations)		$13,400	
Financing:			
Proposed supplemental appropriation		13,400	

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Proposed for later transmission—Continued

SALARIES OF SUPPORTING PERSONNEL—Continued

Under existing legislation, 1959.—A supplemental appropriation is anticipated to cover increases in the salaries of 64 court reporters from $5,915 to $6,505 per annum for the last 4 months of 1959. The increases were approved by the Judicial Conference and will be effective on or about March 1, 1959.

FEES OF JURORS AND COMMISSIONERS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Fees, expenses, and costs (total obligations)		$180,000	
Financing:			
Proposed supplemental appropriation		180,000	

Under existing legislation, 1959.—An additional request is anticipated to cover increased costs for jurors and commissioners as follows: (1) $124,000 to meet a moderate rise in the use of juries and to cover the full year cost of increased fees payable under Public Law 85–299, effective September 7, 1957, and (2) $56,000 to meet the full year cost of increased fees and related costs of United States commissioners pursuant to Public Law 85–276, effective September 2, 1957.

TRAVEL AND MISCELLANEOUS EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous expenses (total obligations)		$201,000	
Financing:			
Proposed supplemental appropriation		201,000	

Under existing legislation, 1959.—A supplemental request for $201,000 is anticipated to (1) supply the courts with adequate communication services, (2) provide funds for printing records in cases appealed to the Supreme Court by poor persons who are unable to bear such costs, (3) print opinions of courts of appeals, (4) pay court reporters for transcripts at higher rates authorized by the Judicial Conference, (5) fill requests for items of equipment which have been deferred in order to reserve funds to meet fixed costs, and (6) cover postal rate increases.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Salaries and expenses (total obligations)		$75,300	
Financing:			
Proposed supplemental appropriation		75,300	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to (1) provide staff and facilities for the last 4 months of 1959 to implement the act of July 11, 1958, "To empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts," (2) cover pay increases of wage board employees, (3) pay the Treasury Department for an actuarial study of the judicial survivors annuity system, and (4) cover postal rate increases.

EXPENSES OF REFEREES

(Indefinite special fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Clerk hire and miscellaneous expenses of referees (total obligations)		$139,135	
Financing:			
Proposed supplemental appropriation		139,135	

Under existing legislation, 1959.—A supplemental appropriation is anticipated in order to (1) employ 60 additional clerks during the last 3 months of the year and provide increases in other items of expense to cope with a growing volume of new cases and (2) cover postal rate increases.

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, 1959.*)

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EXECUTIVE OFFICE OF THE PRESIDENT

The new obligational authority recommended for 1960 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 1959 amount, with the significant exception of the newly created Office of Civil and Defense Mobilization.

About 89% of the new obligational authority recommended for 1960 for the Executive Office is for the Office of Civil and Defense Mobilization. About 5% 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 4%.

The Office of Civil and Defense Mobilization was established by Reorganization Plan No. 1 of 1958 through the merger of the Office of Defense Mobilization and the Federal Civil Defense Administration. It coordinates all mobilization and civil defense functions of the executive branch and carries out nonmilitary defense programs in cooperation with the States and localities.

New obligational authority of $87 million is recommended for this new agency for 1960, an increase of $39 million over the comparable amount for 1959. The increase results mainly from the first full year cost of legislation enacted by the last Congress which made civil defense a joint responsibility of the Federal Government and the States, and authorized new Federal programs for (1) sharing in the cost of State and local civil defense personnel and administration and (2) providing radiological monitoring devices to States and cities for training and operational use. Part of the increase in 1960 is also due to the recently announced national policy to stimulate necessary preparation for fallout shelter protection through research, education, and demonstration.

The 1960 recommended new obligational authority includes $12 million for later transmission to finance, on a consolidated basis, the civil and defense mobilization functions of other Federal agencies under clarified and expanded assignments of responsibility.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Commerce and housing:						
520 Civil and defense mobilization	$41,555	$48,285	$86,970	$66,046	$60,121	$65,000
General government:						
603 Executive direction and management	9,474	10,162	10,256	9,028	10,080	10,250
Total, Executive Office of the President	51,029	58,447	97,226	75,074	70,201	75,250

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
COMPENSATION OF THE PRESIDENT												
Current authorizations:												
Compensation of the President	603	$150	$150		$150	$150	$150		$150	$150		$150
THE WHITE HOUSE OFFICE												
Current authorizations:												
Salaries and expenses	603	2,052	2,052	$100	2,221	1,958	1,960	$98	2,058	2,210	$2	2,212
SPECIAL PROJECTS												
Current authorizations:												
Special projects	603	1,381	1,500		1,500	1,320	1,425		1,425	1,500		1,500
EXECUTIVE MANSION AND GROUNDS												
Current authorizations:												
Executive Mansion and grounds	603	415	415		475	392	395		395	499		499
Extraordinary alterations and repairs	603		100				70		70	30		30
Addition to Executive Mansion	603					56						
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Executive Mansion and grounds	603			34				32	32		2	2
Total, Executive Mansion and grounds		415	515	34	475	448	465	32	497	529	2	531
BUREAU OF THE BUDGET												
Current authorizations:												
Salaries and expenses	603	4,340	4,205	384	4,665	4,157	4,332	368	4,700	4,607	16	4,623
COUNCIL OF ECONOMIC ADVISERS												
Current authorizations:												
Salaries and expenses	603	375	375	20	395	339	381	19	400	390	1	391
NATIONAL SECURITY COUNCIL												
Current authorizations:												
Salaries and expenses	603	711	700	69	792	613	726	66	792	782	3	785
OFFICE OF CIVIL AND DEFENSE MOBILIZATION												
Current authorizations:												
Salaries and expenses	520	19,375	23,285		28,800	16,616	23,200		23,200	27,000		27,000
Federal contributions	520	17,000			25,000	8,324	12,800		12,800	15,000		15,000
Emergency supplies and equipment	520	3,180	20,000		13,900	32,375	15,600		15,600	9,000		9,000
Research and development	520	2,000	2,000		7,270	7,990	6,044		6,044	3,961		3,961
Salaries and expenses, civil defense functions of Federal agencies	520					533	28		28			
Defense rental areas division	520					−1						
Public enterprise funds:												
Civil defense procurement fund	520					216	−52		−52	39		39
Intragovernmental funds:												
Advances and reimbursements	520					−7	1		1			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Salaries and expenses	520				12,000						9,500	9,500
Federal contribution	520			3,000				2,500	2,500		500	500
Total, Office of Civil and Defense Mobilization		41,555	45,285	3,000	86,970	66,046	57,621	2,500	60,121	55,000	10,000	65,000
PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION												
Current authorizations:												
Salaries and expenses	603	50	58		58	43	58		58	58		58
Total new obligational authority and budget expenditures		51,029	54,840	3,607	97,226	75,074	67,118	3,083	70,201	65,226	10,024	75,250

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$51,029	$54,840		$85,226	$75,074	$67,118			$65,226		
Proposed for later transmission:												
Pay increase supplemental appropriations			573				551			22		
Other: Appropriations			3,034		12,000		2,532			10,002		
Total new obligational authority and budget expenditures		51,029	58,447		97,226	75,074	70,201			75,250		

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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
OFFICE OF CIVIL AND DEFENSE MOBILIZATION										
Civil defense procurement fund	520	$758	$461	$539	$543	$514	$500	$216	−$52	$39

ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$102		$195		$289	2,221	1,923	$289		$298
SPECIAL PROJECTS											
Current authorizations:											
Special projects		145		123		198	1,500	1,302	198		198
EXECUTIVE MANSION AND GROUNDS											
Current authorizations:											
Executive Mansion and grounds		11		38		54	475	445	54		30
Extraordinary alterations and repairs					$30	30			30		
Addition to Executive Mansion	$49	56									
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Executive Mansion and grounds						2			2		
Total, Executive Mansion and grounds	49	67		38	30	86	475	445	86		30

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
BUREAU OF THE BUDGET											
Current authorizations:											
Salaries and expenses		$195		$387		$257	$4,665	$4,367	$256		$299
COUNCIL OF ECONOMIC ADVISERS											
Current authorizations:											
Salaries and expenses		14		22		17	395	374	17		21
NATIONAL SECURITY COUNCIL											
Current authorizations:											
Salaries and expenses		14		102		78	792	707	78		85
OFFICE OF CIVIL AND DEFENSE MOBILIZATION											
Current authorizations:											
Salaries and expenses		2,802		5,178		5,123	28,800	24,000	3,000		6,923
Federal contributions	$14,022	25,030	$14,270	31,529		18,729	25,000	8,000	7,000		28,729
Emergency supplies and equipment		39,244		8,578		12,968	13,900	4,000	5,000		17,868
Research and development	9,042	13,834	2,767	7,844		3,800	7,270	1,961	2,000		7,109
Salaries and expenses, civil defense functions of Federal agencies		607		28							
Defense rental areas division		4									
Public enterprise funds:											
Civil defense procurement fund	4,374	4,905	921	1,190	$1,014	1,242			39	$1,064	1,203
Intragovernmental funds:											
Advances and reimbursements				1							
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Salaries and expenses							12,000	9,500			2,500
Federal contributions						500			500		
Total, Office of Civil and Defense Mobilization	27,438	86,426	17,958	54,348	1,014	42,362	86,970	47,461	17,539	1,064	64,332
PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION											
Current authorizations:											
Salaries and expenses		2		4		4	58	54	4		4
Total, Executive Office of the President	27,487	86,965	17,958	55,219	1,044	43,291	97,226	56,783	18,467	1,064	65,267
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$23,113	$82,060	$17,037	$54,028	$30	$41,547					$61,564
Balances of anticipated pay increase supplementals not identified above						−22					
Subtotal	23,113	82,060	17,037	54,028	30	41,525	$85,226	$47,283	$17,943		61,564
Revolving and management funds	4,374	4,905	921	1,191	1,014	1,242				$1,064	1,203
Proposed for later transmission:											
Appropriations						502					2,500
Balances of anticipated pay increase supplementals not identified above						22	12,000	9,500	524		
Subtotal						524					2,500
Total, Executive Office of the President	27,487	86,965	17,958	55,219	1,044	43,291	97,226	56,783	18,467	1,064	65,267

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$82,060	$54,028	$41,525
Revolving and management funds	4,905	1,191	1,242
Proposed for later transmission:			
Pay increase supplemental appropriations			22
Other: Appropriations			502
Total balances brought forward	86,965	55,219	43,291
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	51,029	54,840	85,226
Proposed for later transmission:			
Pay increase supplemental appropriations		573	
Other: Appropriations		3,034	12,000
Total new obligational authority proposed for later transmission		3,607	12,000
Total new obligational authority	51,029	58,447	97,226
Other amounts available:			
Appropriations available in prior years		−172	
Appropriations available in subsequent year	172		
Total budget authorizations available	138,166	113,494	140,517
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	75,074	67,118	47,283
Out of balances of prior obligational authority			17,943
Total expenditures from obligational authority enacted or recommended	75,074	67,118	65,226
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		551	22
Other:			
Out of new obligational authority		2,532	9,500
Out of balances of prior obligational authority			502
Total expenditures from obligational authority proposed for later transmission		3,083	10,024
Total budget expenditures	75,074	70,201	75,250
Amounts no longer available:			
Unobligated balances expiring and lapsing	180		
Capital transfers from revolving funds to receipt accounts	3,500		
Adjustment of balances downward in expired accounts, net	4,194		
Total amounts no longer available	7,874		
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	54,028	41,525	61,564
Revolving and management funds	1,191	1,242	1,203
Proposed for later transmission:			
Pay increase supplemental appropriations		22	
Other: Appropriations		502	2,500
Total balances carried forward at close of year	55,219	43,291	65,267
Obligations incurred, net	$57,050	$75,189	$97,206

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COMPENSATION OF THE PRESIDENT

Current authorizations:

COMPENSATION OF THE PRESIDENT

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, 1959.*)

Appropriated 1959, **$150,000** Estimate 1960, **$150,000**

Program and Financing

	1958 actual	1959 estimate	1960 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] *$2,221,000.* (*General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$2,051,970** Estimate 1960, **$2,221,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total obligations)	$2,051,970	$2,152,000	$2,221,000
Financing:			
New obligational authority	2,051,970	2,152,000	2,221,000
New obligational authority:			
Appropriation	$2,051,970	$2,051,970	$2,221,000
Proposed supplemental due to pay increases		100,030	

These funds provide the President with staff assistance and provide administrative services for The White House Office.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	270	272	272
Full-time equivalent of all other positions	7	6	6
Average number of all employees	272	274	274
Number of employees at end of year	279	278	278
Average GS grade and salary	6.8 $5,257	6.8 $5,863	6.8 $5,863
01 Personal services:			
Permanent positions	$1,605,164	$1,707,665	$1,767,665
Positions other than permanent	82,337	75,000	75,000
Other personal services	60,936	95,500	104,500
Total personal services	1,748,437	1,878,165	1,947,165
02 Traveling expense of the President	$32,140	$40,000	$40,000
Other travel	8,205	25,000	25,000
04 Communication services	58,879	50,000	50,000
05 Rents and utility services	2,830	4,000	4,000
06 Printing and reproduction	46,388	30,000	30,000
07 Other contractual services	6,805	5,386	5,500
Services performed by other agencies		1,614	1,500
08 Supplies and materials	48,056	30,000	30,000
09 Equipment	12,599	15,000	10,000
11 Grants, subsidies, and contributions	80,055	66,835	71,835
15 Taxes and assessments	7,576	6,000	6,000
Total obligations	2,051,970	2,152,000	2,221,000

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, $1,500,000: *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, 1959.*)

Appropriated 1959, **$1,500,000** Estimate 1960, **$1,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total obligations)	$1,313,949	$1,500,000	$1,500,000
Financing:			
Unobligated balance no longer available	67,346		
New obligational authority	1,381,295	1,500,000	1,500,000
New obligational authority:			
Appropriation	$1,375,000	$1,500,000	$1,500,000
Transferred from "Salaries and expenses," Office of Civil and Defense Mobilization (64 Stat. 838)	6,295		
Appropriation (adjusted)	1,381,295	1,500,000	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, foreign economic policy, and coordination of public works planning.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	114	101	101
Number of employees at end of year	114	101	101
01 Personal services: Positions other than permanent	$863,749	$993,860	$1,025,175
02 Travel	105,320	151,650	144,750
04 Communication services	21,320	22,000	20,500
06 Printing and reproduction	9,713	10,500	10,000
07 Other contractual services	85,818	76,390	71,500
Services performed by other agencies	115,000	150,000	150,000
08 Supplies and materials	38,954	31,130	27,250
09 Equipment	36,954	19,000	10,000
11 Grants, subsidies, and contributions	33,148	39,500	36,000
15 Taxes and assessments	3,973	5,970	4,825
Total obligations	1,313,949	1,500,000	1,500,000

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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, [$415,400] *$475,000. (3 U. S. C. 109–110; D. C. Code 8–108 (1951 edition); General Government Matters Appropriation Act, 1959.)*

Appropriated 1959, **$415,400** Estimate 1960, **$475,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Care, maintenance, and operation of the Executive Mansion and the surrounding grounds	$415,204	$415,400	$475,000
2. 1959 program obligated in 1958	3,946	−3,946	
Total obligations	419,150	411,454	475,000
Financing:			
1959 appropriation available in 1958	−3,946	3,946	
Unobligated balance no longer available	1		
Appropriation (new obligational authority)	415,205	415,400	475,000

These funds provide for the care, maintenance, and operation of the Executive Mansion and the surrounding grounds.

A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	72	72	72
Full-time equivalent of all other positions	3	1	1
Average number of all employees	67	71	70
Number of employees at end of year	72	72	72
Average salary of ungraded positions	$3,864	$4,460	$4,460
01 Personal services:			
Permanent positions	$260,680	$280,616	$311,241
Positions other than permanent	27,912	24,945	24,945
Other personal services	28,100	8,395	23,395
Total personal services	316,692	313,956	359,581
03 Transportation of things	80		
04 Communication services		145	
05 Rents and utility services	36,460	30,890	34,890
06 Printing and reproduction	130	125	125
07 Other contractual services	14,287	14,100	14,100
08 Supplies and materials	30,547	34,575	41,175
09 Equipment	274	4,984	4,984
11 Grants, subsidies, and contributions	16,564	16,625	20,000
15 Taxes and assessments	170		145
1959 program obligated in 1958	3,946	−3,946	
Total obligations	419,150	411,454	475,000

[EXTRAORDINARY ALTERATIONS AND REPAIRS]

[For extraordinary alterations, repairs, furniture, and furnishings of the Executive Mansion and Grounds, to be expended as the President may determine, notwithstanding any other provisions of this or any other Act, $100,000, to remain available until expended.] *(Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Alterations, repairs, furniture, and furnishings (total obligations)		$70,000	$30,000
Financing:			
Unobligated balance brought forward			−30,000
Unobligated balance carried forward		30,000	
Appropriation (new obligational authority)		100,000	

Funds available in this account provide for nonrecurring alterations and repairs, furniture, and furnishings of the Executive Mansion and grounds.

Object Classification

	1958 actual	1959 estimate	1960 estimate
01 Personal services		$7,000	$3,000
07 Other contractual services		28,000	12,000
08 Supplies and materials		14,000	6,000
09 Equipment		7,000	3,000
10 Lands and structures		14,000	6,000
Total obligations		70,000	30,000

ADDITION TO EXECUTIVE MANSION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Additions and improvements (total obligations)	$49,557		
Financing:			
Unobligated balance brought forward	−49,557		
Appropriation (new obligational authority)			

Object Classification

	1958 actual	1959 estimate	1960 estimate
01 Personal services	$12,694		
07 Other contractual services	7,260		
08 Supplies and materials	28,969		
09 Equipment	634		
Total obligations	49,557		

Proposed for later transmission:

EXECUTIVE MANSION AND GROUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Care, maintenance, and operation of the Executive Mansion and the surrounding grounds (total obligations)		$34,000	
Financing:			
Proposed supplemental appropriation		34,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated for 1959 to provide for costs of salary increases of wage-board employees.

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], *$4,665,000. (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, 1959.)*

Appropriated 1959, **$4,205,000** Estimate 1960, **$4,665,000**

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BUREAU OF THE BUDGET—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Office of accounting	$224,754	$229,900	$235,800
2. Office of budget review	455,820	464,800	473,200
3. Office of legislative reference	194,882	197,200	200,600
4. Office of management and organization	412,649	447,700	454,800
5. Office of statistical standards	366,497	417,600	423,900
6. Program divisions:			
(*a*) Commerce and finance	403,430	407,900	417,000
(*b*) International	325,759	316,600	324,100
(*c*) Labor and welfare	428,088	440,900	451,300
(*d*) Military	483,890	514,700	525,400
(*e*) Resources and civil works	469,279	499,100	508,900
7. Executive direction and administration	583,265	634,130	650,000
Total program costs	4,348,313	4,570,530	4,665,000
8. Relation of costs to obligations: Obligations incurred for costs of other years, net	174	37	
Total program (obligations)	4,348,487	4,570,567	4,665,000
Financing:			
1959 appropriation available in 1958	−18,433	18,433	
Unobligated balance no longer available	9,706		
New obligational authority	4,339,760	4,589,000	4,665,000
New obligational authority:			
Appropriation	$4,339,760	$4,205,000	$4,665,000
Proposed supplemental due to pay increases		384,000	

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 and enrolled bills 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.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order but not yet received)	$33,591	$32,666	$32,700	$32,700
Advances (payments for goods and services on order not yet received)	4,617	5,797	5,800	5,800
Total selected resources at end of year	38,208	38,463	38,500	38,500
Selected resources at start of year (−)		−38,208	−38,463	−38,500
Adjustment of selected resources reported at start of year		−81		
Obligations incurred for costs of other years, net		174	37	

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		451		433		433
Full-time equivalent of all other positions		3		5		5
Average number of all employees		436		428		428
Number of employees at end of year		433		427		427
Average GS grade and salary	10.6	$8,012	11.0	$9,110	11.0	$9,204
01 Personal services:						
Permanent positions		$3,679,903		$3,864,000		$3,920,200
Positions other than permanent		15,689		40,000		40,000
Other personal services		23,248		25,000		40,200
Total personal services		3,718,840		3,929,000		4,000,400
02 Travel		88,277		110,000		110,000
03 Transportation of things		426		2,000		2,000
04 Communication services		54,168		56,000		56,000
06 Printing and reproduction		130,919		139,000		139,000
07 Other contractual services		18,395		18,400		18,400
Services performed by other agencies		27,444		30,000		30,000
08 Supplies and materials		33,045		28,000		28,000
09 Equipment		25,956		22,000		22,000
11 Grants, subsidies, and contributions		232,322		253,600		258,200
15 Taxes and assessments		262		1,000		1,000
1959 program obligated in 1958		18,433		−18,433		
Total obligations		4,348,487		4,570,567		4,665,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Office of accounting	$575		
2. Office of budget review	1,647		
3. Office of legislative reference	660		
4. Program divisions:			
(*a*) Commerce and finance	18,191	$2,600	$2,600
(*b*) International	3,274		
5. Executive direction and administration	9,141	9,400	9,400
Total obligations	33,488	12,000	12,000
Financing:			
Advances and reimbursements from—			
Other accounts	32,253	12,000	12,000
Non-Federal sources (58 Stat. 845)	1,235		
Total financing	33,488	12,000	12,000

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		4		2		2
Average number of all employees		4		2		2
Number of employees at end of year		4		2		2
Average GS grade and salary	10.2	$8,215	10.0	$8,632	10.0	$8,632
01 Personal services:						
Permanent positions		$33,362		$12,000		$12,000
Other personal services		126				
Total obligations		33,488		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

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concerned with the purposes of this appropriation;] and press clippings (not exceeding $300); [$375,000] *$395,000.* (*General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$375,000** Estimate 1960, **$395,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Economic analysis (total obligations)	$348,462	$395,000	$395,000
Financing:			
Unobligated balance no longer available	26,538		
New obligational authority	375,000	395,000	395,000
New obligational authority:			
Appropriation	$375,000	$375,000	$395,000
Proposed supplemental due to pay increases		20,000	

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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	31	31	31
Full-time equivalent of all other positions	2	2	2
Average number of all employees	29	32	32
Number of employees at end of year	28	31	31
Average GS grade and salary	6.3 $4,717	6.4 $5,313	6.4 $5,399
Average salary of ungraded positions	$11,571	$13,057	$13,057
01 Personal services:			
Permanent positions	$267,261	$304,400	$304,400
Positions other than permanent	12,690	14,500	14,500
Other personal services	13,948	9,100	10,100
Total personal services	293,899	328,000	329,000
02 Travel	4,125	11,000	10,000
04 Communication services	4,599	5,000	5,000
06 Printing and reproduction	10,927	12,000	12,000
07 Other contractual services	3,312	1,500	1,500
Services performed by other agencies	10,900	13,500	13,500
08 Supplies and materials	2,008	2,000	2,000
09 Equipment	4,862	1,500	1,500
11 Grants, subsidies, and contributions	13,085	20,000	20,000
15 Taxes and assessments	745	500	500
Total obligations	348,462	395,000	395,000

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; *and* 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] *$792,000.* (*50 U. S. C. 402; 60 Stat. 810; General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$700,000** Estimate 1960, **$792,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Policy coordination	$233,398	$253,800	$264,000
2. Operations coordination	466,796	515,272	528,000
Total operating costs	700,194	769,072	792,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−72	
Obligations incurred for costs of other years (unpaid undelivered orders), net	72		
Total program (obligations)	700,266	769,000	792,000
Financing:			
Unobligated balance no longer available	$10,734		
New obligational authority	711,000	$769,000	$792,000
New obligational authority:			
Appropriation	$711,000	$700,000	$792,000
Proposed supplemental due to pay increases		69,000	

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 Civil and Defense Mobilization, and, as directed by the President, other high officials. This appropriation provides staff services for the Council's policy coordination activities.

2. *Operations coordination.*—The Operations Coordinating Board was placed within the structure of the Council by Executive Order 10700. The Board advises with the responsible executive agencies to assist in coordinating implementation of national security policies assigned by the President to the Operations Coordinating Board for coordination. 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, the Director of the International Cooperation Administration and one or more representatives of the President, and as necessary, officials of other agencies. This appropriation provides staff services for the Board.

3. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders for 1958 was $72.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	77	77	77
Full-time equivalent of all other positions		1	1
Average number of all employees	61	75	76
Number of employees at end of year	64	77	77
Average GS grade and salary	10.1 $7,708	10.2 $8,552	10.2 $8,651
01 Personal services:			
Permanent positions	$496,733	$652,813	$668,666
Positions other than permanent	50	1,000	1,000
Other personal services	107,834	7,502	10,149
Total personal services	604,617	661,315	679,815
02 Travel	3,047	3,500	3,500
04 Communication services	9,668	10,608	11,095
06 Printing and reproduction	3,333	3,400	3,400
07 Other contractual services	1,929	2,562	2,679
Services performed by other agencies	36,100	36,920	37,713
08 Supplies and materials	7,536	7,172	7,800
09 Equipment	95	1,000	2,200
11 Grants, subsidies, and contributions	33,869	42,595	43,798
Total costs	700,194	769,072	792,000
Costs financed from obligations of other years, net (−)		−72	
Obligations incurred for costs of other years, net	72		
Total obligations	700,266	769,000	792,000

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operations coordination (total obligations)	$7,193		
Financing:			
Advances and reimbursements from other accounts	7,193		

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NATIONAL SECURITY COUNCIL—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1958 actual	1959 estimate	1960 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	14.0 $11,180		
01 Personal services: Permanent positions	$6,759		
07 Other contractual services	21		
11 Grants, subsidies, and contributions	413		
Total obligations	7,193		

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

This Office was created by Reorganization Plan No. 1 of 1958 through the merger of the Federal Civil Defense Administration and the Office of Defense Mobilization. It coordinates all civil defense and mobilization activities of the Federal Government and provides guidance and assistance to the States and their political subdivisions in the planning of civil defense measures as an integral part of the national plan for civil defense and defense mobilization. Operational capability for attack warning and emergency communications is provided, stockpiles of medical and engineering equipment are maintained for emergency use, financial contributions are made to States and political subdivisions for civil defense personnel and administrative costs and the provision of facilities and equipment, and radiological defense equipment is furnished to the States and localities for training and operational use. Policies are developed for the administration of the Defense Production Act and the strategic and critical materials stockpile.

In 1960 major emphasis will be devoted to programs for strengthening the capability of all governments to act effectively in emergencies, for developing an effective radiological defense, and for increasing the availability of appropriate fallout shelter.

The sole appropriation to the former Office of Defense Mobilization entitled Salaries and expenses has been merged with the former Federal Civil Defense Administration appropriation for Operations. The remaining proposed appropriations are comparable to those made to the former Federal Civil Defense Administration.

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of Civil and Defense Mobilization, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); reimbursement of the General Services Administration for security guard services; expenses of attendance of cooperating officials and individuals at meetings concerned with civil defense functions; not to exceed $8,500 for the purchase of newspapers, periodicals and teletype news services; and not to exceed $6,000 for emergency and extraordinary expenses to be expended under the direction of the Director for such purposes as he deems proper, and his determination thereon shall be final and conclusive: $28,800,000, of which $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.

[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; $2,285,000, of which $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.]

[For an additional amount for necessary expenses of the Office of Civil and Defense Mobilization, $2,500,000: *Provided*, That this appropriation shall be available for the purposes set forth under the appropriations granted for the fiscal year 1959, under the headings "Salaries and expenses", Office of Defense Mobilization, and "Operations", Federal Civil Defense Administration.] (*General Government Matters Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

[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 $8,000 for the purchase of newspapers, periodicals, and teletype news services; not to exceed $932,500 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; $18,500,000: *Provided*, That $500,000 of the foregoing amount shall be available to discharge civil defense responsibilities delegated to other Federal agencies under the authority of section 201 (b) of the Federal Civil Defense Act of 1950, as amended.] (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$23,285,000** Estimate 1960, **$28,800,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction and policy planning	$931,369	$934,000	$951,000
2. Research and development	754,241	754,000	997,000
3. Emergency planning	1,543,329	2,298,000	2,599,000
4. Warning and communications	3,169,607	4,159,500	3,502,000
5. Training, education, and public affairs	3,432,966	4,037,000	8,630,000
6. Resources and production planning	1,467,302	1,759,000	1,940,000
7. Field operations	3,574,506	4,834,800	6,384,000
8. Management services and stockpile operations	4,071,310	4,008,700	3,797,000
9. Functions performed by other Federal agencies	253,100	500,000	
10. 1959 program obligated in 1958	139,832	−139,832	
Total obligations	19,337,562	23,145,168	28,800,000
Financing:			
Comparative transfers to other accounts	131,454		
1959 appropriation available in 1958	−139,832	139,832	
Unobligated balance no longer available	45,600		
New obligational authority	19,374,784	23,285,000	28,800,000
New obligational authority:			
Appropriation	$19,261,300	$23,285,000	$28,800,000
Transferred from "Emergency supplies and equipment" (72 stat. 243)	119,779		
Transferred to "Special projects" (64 Stat. 838)	−6,295		
Appropriation (adjusted)	19,374,784	23,285,000	28,800,000

1. *Executive direction and policy planning.*—In addition to the top level direction of all emergency programs, this activity includes the development, coordination, and evaluation of civil and defense mobilization policies and programs and the development of overall planning assumptions, based on United States and enemy capabili-

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ties and weapons effects data, for various types of emergency situations.

2. *Research and development.*—Programs designed to meet current and projected research needs are coordinated and administered. In addition, damage assessment systems required for emergency operations and control of critical resources are provided. During 1960 special emphasis will be placed upon fallout shelter research involving design and development of prototype shelters and studies of shelter availability. The administration of the research program is under this appropriation; actual research projects are financed under the Research and development appropriation.

3. *Emergency planning.*—This activity provides for the development of Federal mobilization plans and coordination of Federal, State, and local emergency operations plans. This includes supervision of Federal grant-in-aid programs for civil defense purposes; the overall coordination of civil defense and mobilization functions assigned to other Federal agencies; measures to minimize the effects of enemy attack by chemical, biological, or radiological means upon the people and national resources; and the development of shelter and other programs to reduce the vulnerability of the Nation to weapons of mass destruction. Tests are conducted to determine the adequacy of various types of emergency plans.

4. *Warning and communications.*—A nationwide attack warning system extending from the North American air defense regional headquarters to regional, State, and local control points is provided. The budget provides for maintenance of this system, with extension of attack warning to some additional 100 key target areas. The national communications system for post-attack emergency communications will be revised to provide full-time and alternate routings capable of surviving attack. A 3-year program for installation of radio facilities in State-control sites will be continued.

5. *Training, education, and public affairs.*—The office provides training methods and materials to State and local organizations and conducts training courses at the staff college and training centers. During 1960, program emphasis will be devoted to informing people on the hazards of radiological fallout and the steps that they can take to overcome it. The 1960 request provides for an expanded program of adult education to teach the principles of individual, family, and community protection, utilizing the existing adult education network in the States. About 16,000 people have completed one or more basic civil defense courses. An additional 9,000 persons will be trained in 1960.

6. *Resources and production planning.*—This office develops operating plans to stabilize the economy and manage the national resources under various emergency conditions. Plans are also developed for the restoration and rehabilitation of essential physical facilities after attack. During 1960, work will continue in exploring survival requirements, post-attack, and various methods which can be used to fill these requirements.

7. *Field operations.*—Civil and defense mobilization programs are made available to States and localities through the eight regional offices and training courses in civil defense are conducted at training centers.

8. *Management services and stockpile operations.*—In addition to centralized administrative services, this activity also finances the management of the civil defense stockpile. The stockpile is located in warehouses operated by other Federal agencies.

9. *Functions performed by other Federal agencies.*—A supplemental appropriation of $12 million is anticipated for 1960 under Proposed for later transmission for carrying out civil defense and mobilization functions assigned to other Federal agencies.

Object Classification

	1958 actual	1959 estimate	1960 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
Total number of permanent positions	1,494	1,630	1,750
Full-time equivalent of all other positions	60	76	83
Average number of all employees	1,479	1,592	1,731
Number of employees at end of year	1,623	1,760	1,880
Average GS grade and salary	9.1 $6,791	9.4 $7,748	9.4 $7,779
01 Personal services:			
Permanent positions	$9,971,534	$11,635,000	$12,708,000
Positions other than permanent	380,369	468,600	501,420
Other personal services	209,919	259,400	324,580
Total personal services	10,561,822	12,363,000	13,534,000
02 Travel	736,041	1,017,900	1,102,700
03 Transportation of things	102,245	114,700	47,400
04 Communication services	2,076,982	2,414,600	2,960,300
05 Rents and utility services	133,704	148,000	304,000
06 Printing and reproduction	1,081,971	549,500	856,500
07 Other contractual services	938,068	1,171,500	1,795,100
Services performed by other agencies	977,096	1,923,000	5,749,500
08 Supplies and materials	320,531	419,275	468,300
09 Equipment	237,828	1,437,625	602,300
11 Grants, subsidies, and contributions	493,298	613,300	978,300
12 Pensions, annuities, and insurance claims	30,825	38,100	42,200
13 Refunds, awards, and annuities	1,720	1,200	1,300
15 Taxes and assessments	25,071	32,300	34,900
Unvouchered	6,000	6,000	6,000
1959 program obligated in 1958	139,832	−139,832	
Total, Office of Civil and Defense Mobilization	17,863,034	22,110,168	28,482,800
ALLOCATION ACCOUNTS			
Total number of permanent positions	48	50	18
Average number of all employees	41	39	17
Number of employees at end of year	40	50	18
Average GS grade and salary	9.0 $8,397	10.2 $8,815	
01 Personal services:			
Permanent positions	$349,673	$358,521	$231,000
Other personal services	11,211	879	
Total personal services	360,884	359,400	231,000
02 Travel	15,161	18,600	2,500
03 Transportation of things	3,727	2,000	2,500
04 Communication services	63	2,600	
06 Printing and reproduction		1,200	
07 Other contractual services	38,675	139,200	
08 Supplies and materials	4,258	1,800	
09 Equipment	443	3,600	75,000
10 Lands and structures	1,035,212	488,800	
11 Grants, subsidies, and contributions	14,602	16,000	4,100
12 Pensions, annuities, and insurance claims		600	
15 Taxes and assessments	1,503	1,200	2,100
Total, allocation accounts	1,474,528	1,035,000	317,200
Total obligations	19,337,562	23,145,168	28,800,000
Obligations are distributed as follows:			
Office of Civil and Defense Mobilization	$17,863,034	$22,110,168	$28,482,800
General Services Administration	1,047,443	490,000	75,000
Navy		135,000	
Department of Health, Education, and Welfare	173,985	240,000	242,200
Housing and Home Finance Agency		60,000	
Department of Labor		85,000	
Department of Commerce	253,100		
Department of Defense		25,000	

Federal Contributions

For financial contributions to the States for civil defense purposes pursuant to the Federal Civil Defense Act of 1950, as amended, to be equally matched with State funds, $25,000,000, of which $12,000,000 shall be available for allocation to the States pursuant to section 205 of said Act.

Estimate 1960, **$25,000,000**

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OFFICE OF CIVIL AND DEFENSE MOBILIZATION—Continued

Current authorizations—Continued

FEDERAL CONTRIBUTIONS—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Attack warning	$1,360,142	$1,135,000	$950,000
2. Communications	8,970,522	7,475,000	6,235,000
3. Public safety devices	454,672	378,000	385,000
4. Medical supplies and equipment	355,888	295,000	310,000
5. Education services	673,378	560,000	480,000
6. Mass care equipment	9,630	10,000	10,000
7. Engineering supplies and equipment	1,209,259	1,010,000	860,000
8. Construction and general equipment	3,716,819	3,107,097	3,340,000
9. Preservation of vital records		300,000	430,000
10. Personnel and administrative costs			12,000,000
Total obligations	16,750,310	14,270,097	25,000,000
Financing:			
Unobligated balance brought forward	−14,021,528	−14,270,097	
Unobligated balance carried forward	14,270,097		
Unobligated balance no longer available	1,121		
Appropriation	17,000,000		25,000,000

Financial contributions are made to States and localities for selected types of civil defense equipment and for personnel and administrative costs. Through 1958 this program was limited to equipment contributions only. All States have participated in the equipment program and a total of $82 million has been contributed by the Federal Government, of which about 50% has been used for warning and communications systems and 19% for medical supplies and equipment. Recently enacted legislation authorized financial contributions for personnel and administrative expenses of States and localities. This new program area is expected to account for about half of the total Federal contributions in 1960 and will require a supplemental appropriation for the last quarter of 1959 which is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$16,750,310	$14,270,097	$25,000,000

EMERGENCY SUPPLIES AND EQUIPMENT

For expenses necessary for *procurement*, warehousing, *distribution*, and maintenance of emergency civil defense materials as authorized by subsection (h) of section 201 of the Federal Civil Defense Act of 1950, as amended, [$18,000,000] *$13,900,000.* (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, [a] **$20,000,000** Estimate 1960, **$13,900,000**

[a] Includes $2,000,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Radiological defense equipment		$1,800,000	$8,500,000
2. Stockpile management	$3,172,031	18,200,000	5,400,000
3. 1959 program obligated in 1958	9,960	−9,960	
Total obligations	3,181,991	19,990,040	13,900,000
Financing:			
1959 appropriation available in 1958	−9,960	9,960	
Unobligated balance no longer available	8,190		
New obligational authority	3,180,221	20,000,000	13,900,000
New obligational authority:			
Appropriation	$3,300,000	$20,000,000	$13,900,000
Transferred to "Salaries and expenses," (72 Stat. 243)	−119,779		
Appropriation (adjusted)	3,180,221	20,000,000	13,900,000

1. *Radiological defense equipment.*—Equipment is procured and granted to the States and localities for training and operational purposes. The objective of this program is to provide a national radiological monitoring system through equipping 1.5 million trained personnel with monitoring devices. Instruments procured through 1960 will provide for expanding the Federal agency portion of the monitoring network, will provide training instruments for use in 15,000 high schools, will provide the instruments for training State and local personnel, and will equip 73,000 monitors in States and cities.

2. *Stockpile management.*—Materials and equipment not normally available or not present in the quantities 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 20,000 square feet, generally located fairly close to target areas on a calculated risk basis, and principally for the storage of functional assemblies; (2) major storage locations of approximately 50,000 to 100,000 square feet, generally located for direct support of specific target areas, used for storage of bulk backup medical supplies as well as functional assemblies including emergency hospitals; and (3) general reserve storage locations of from 100,000 to 500,000 square feet located a greater distance from target areas, preferably in more isolated sections, used for storage of bulk backup reserve supplies in order to give reserve support to regional groupings of target areas. Government-owned and controlled installations are used wherever possible.

Through 1958 approximately $213 million of supplies and equipment had been stockpiled in 41 warehouses. Activities under this program for 1960 will be directed toward normal warehousing functions in connection with existing stocks.

Object Classification

	1958 actual	1959 estimate	1960 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
03 Transportation of things	$220,280	$1,012,200	$860,000
07 Other contractual services	98,201	12,584,000	175,000
Services performed by other agencies	2,490,746	2,821,000	2,801,000
08 Supplies and materials	141,972	1,545,800	1,364,000
09 Equipment		1,800,000	8,500,000
1959 program obligated in 1958	9,960	−9,960	
Total, Office of Civil and Defense Mobilization	2,961,159	19,753,040	13,700,000
ALLOCATION TO VETERANS ADMINISTRATION			
Total number of permanent positions	37	38	38
Average number of all employees	37	38	30
Number of employees at end of year	37	38	26
Average GS grade and salary	4.3 $4,052	4.3 $4,465	4.3 $4,465
01 Personal services:			
Permanent positions	$168,288	$173,200	$138,500
Other personal services			700
Total personal services	168,288	173,200	139,200
04 Communication services	185	200	200
05 Rents and utility services	5,153	5,100	5,150
07 Other contractual services	27,737	33,760	33,950
08 Supplies and materials	8,178	13,420	12,430
11 Grants, subsidies, and contributions	11,250	11,300	9,050
15 Taxes and assessments	41	20	20
Total, Veterans Administration	220,832	237,000	200,000
Total obligations	3,181,991	19,990,040	13,900,000

RESEARCH AND DEVELOPMENT

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

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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] *$7,270,000*, to remain available until expended. (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$2,000,000** Estimate 1960, **$7,270,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Survival planning	$5,367,544	$756,000	
2. Research:			
(*a*) Shelter, engineering, and testing	628,409	2,414,000	$5,770,000
(*b*) Radiological defense	867,000	1,140,000	835,000
(*c*) Operations	363,000	545,000	515,000
(*d*) Health and medical	230,000	179,000	
(*e*) Warning and communications	610,000	184,914	
(*f*) Economic, social, and other	210,000	200,000	150,000
Total obligations	8,275,953	5,418,914	7,270,000
Financing:			
Unobligated balance brought forward	−9,042,867	−2,766,914	
Recovery of prior year obligations		−652,000	
Unobligated balance carried forward	2,766,914		
Appropriation (new obligational authority)	2,000,000	2,000,000	7,270,000

1. *Survival planning.*—The refinement of present operational survival plans to conform with the national plan for civil defense and defense mobilization will be completed during 1959. The States, including the principal metropolitan areas will then have benefit of studies designed for maximum survival of people and resources in the event of an enemy attack.

2. *Research.*—This activity provides for the development and application of scientific knowledge to the strategic requirements of the nonmilitary defense of the Nation through research contracts with Federal agencies, universities, industry, and private institutions.

(*a*) *Shelter, engineering, and testing.*—Research projects directed toward the implementation of the national shelter policy including shelter designs, prototypes, and habitability studies are covered.

(*b*) *Radiological defense.*—This includes research for the development of a national radiological system designed to decrease the severity of radiation casualties and reduce the harmful effects of radiological contamination.

(*c*) *Operations.*—The objective of this program is to produce quantitative measurements of the effectiveness of the nonmilitary defense system. This includes participation in the national damage assessment system.

(*f*) *Economic, social, and other.*—This includes stockpiling studies and research in mobilization and economic recovery.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
07	Other contractual services	$7,177,957	$3,484,914	$6,225,000
	Services performed by other agencies	790,755	1,292,500	115,000
	Total, Office of Civil and Defense Mobilization	7,968,712	4,777,414	6,340,000
	ALLOCATION ACCOUNTS			
07	Other contractual services	307,241	641,500	930,000
	Total obligations	8,275,953	5,418,914	7,270,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Obligations are distributed as follows:			
Office of Civil and Defense Mobilization	$7,968,712	$4,777,414	$6,340,000
National Science Foundation			400,000
Department of Agriculture	29,407	83,000	30,000
Department of Commerce	99,629	120,000	190,000
General Services Administration	9,248	125,000	
Department of Defense	163,930	213,500	310,000
Atomic Energy Commission	5,027	100,000	

[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, 1959.*)

Public enterprise funds:

CIVIL DEFENSE PROCUREMENT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Public safety programs	$26,048	$22,140	$24,000
Medical supplies and equipment program	449,878	382,390	415,000
Training program	66,749	56,740	61,000
Total program costs	542,675	461,270	500,000
Relation of costs to obligations (change in unpaid undelivered orders) (−)	−46,440	−93,715	−50,000
Total program (obligations)	496,235	367,555	450,000
Financing:			
Amounts becoming available: Reimbursements from—			
"Federal contributions" appropriation	271,338	230,635	250,000
States	271,337	230,635	250,000
Total amounts becoming available	542,675	461,270	500,000
Unobligated balance brought forward	4,374,217	920,657	1,014,372
Total amounts available	4,916,892	1,381,927	1,514,372
Capital transfer (repayment of principal to Treasury) (−)	−3,500,000		
Unobligated balance carried forward	−920,657	−1,014,372	−1,064,372
Financing applied to program	496,235	367,555	450,000

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).

The initial principal of the fund consisted of $5,000,000 appropriated in 1951. In 1958, $3,500,000 of this principal was repaid to Treasury.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Procurement of civil defense materials	$542,675	$461,270	$500,000
Increase in selected working capital	215,500		39,350
Total gross expenditures	758,175	461,270	539,350
Receipts from operations (funds provided):			
Reimbursement from States and from the "Federal contributions" appropriation	542,675	461,270	500,000
Decrease in selected working capital		52,352	
Total receipts from operations	542,675	513,622	500,000
Budget expenditures	215,500	−52,352	39,350

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OFFICE OF CIVIL AND DEFENSE MOBILIZATION—Continued

Public enterprise funds—Continued

CIVIL DEFENSE PROCUREMENT FUND—Continued

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$1,189,548	$1,241,900	$1,202,550
Funds due from States	310,618	258,100	297,450
Total assets	1,500,166	1,500,000	1,500,000
Liabilities:			
Current	166		
Government investment:			
Non-interest-bearing capital:			
Start of year	5,000,000	1,500,000	1,500,000
Repayment of principal to Treasury during year (−)	−3,500,000		
End of year (total Government investment)	1,500,000	1,500,000	1,500,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$4,905,048	$1,189,548	$1,241,900	$1,202,550
Obligated balance, net:				
Accounts payable	377,186	166		
Unpaid undelivered orders	625,783	579,343	485,628	435,628
Accounts receivable, net (−)	−472,138	−310,618	−258,100	−297,450
Total obligated balance	530,831	268,891	227,528	138,178
Unobligated balance	4,374,217	920,657	1,014,372	1,064,372

Object Classification

	1958 actual	1959 estimate	1960 estimate
03 Transportation of things	$29,774	$22,053	$27,000
08 Supplies and materials	44,661	33,080	40,500
09 Equipment	421,800	312,422	382,500
Total obligations	496,235	367,555	450,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Defense mobilization activity (total obligations)	$16,849		
Financing:			
Advances and reimbursements from other accounts	22,405		
Unobligated balance no longer available	−5,556		
Total financing	16,849		

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$16,849		

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Functions performed by other Federal agencies (total obligations)			$12,000,000
Financing:			
Proposed supplemental appropriation			12,000,000

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of $12 million is anticipated to finance, on a consolidated basis, the civil and defense mobilization functions of other Federal agencies under clarified and expanded assignments of responsibility.

FEDERAL CONTRIBUTIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Personnel and administrative costs (total obligations)		$3,000,000	
Financing:			
Proposed supplemental appropriation		3,000,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $3 million is anticipated to meet the last quarter costs of the new program authorized by Public Law 85-606, approved August 8, 1958, to provide Federal contributions to States and political subdivisions for civil defense personnel and administrative costs.

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;] $57,500. (*General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$57,500** Estimate 1960, **$57,500**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Staff services, administration, and research (total obligations)	$45,697	$57,500	$57,500
Financing:			
Unobligated balance no longer available	4,303		
Appropriation (new obligational authority)	50,000	57,500	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 in the identification of major organizational and management problems and the development of proposed corrective actions by means of reorganization plans for submission to Congress, Executive orders, and other administrative actions.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions	1	1	1
Average number of all employees	5	6	6
Number of employees at end of year	6	6	6
Average GS grade and salary	11.6 $8,784	11.6 $9,729	11.6 $9,819

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Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
01	Personal services:			
	Permanent positions	$34,193	$48,358	$48,955
	Positions other than permanent	3,275	1,500	1,000
	Other personal services	147	187	380
	Total personal services	37,615	50,045	50,335
02	Travel	329	500	500
04	Communication services	1,154	800	800
07	Other contractual services: Services performed by other agencies	3,358	2,500	2,000
08	Supplies and materials	633	530	690
09	Equipment	381		
11	Grants, subsidies, and contributions	2,152	3,100	3,150
15	Taxes and assessments	75	25	25
	Total obligations	45,697	57,500	57,500

PRESIDENT'S COMMITTEE ON FUND RAISING WITHIN THE FEDERAL SERVICE

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
President's Committee on Fund Raising Within the Federal Service (total obligations)		$45,000	$49,000
Financing:			
Advances and reimbursements from other accounts		45,000	49,000

Executive Order 10728 established the President's Committee on Fund Raising Within the Federal Service to be responsible for the periodic review of the conduct and operation of the fund raising program.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions		4	4
	Average number of all employees		4	4
	Number of employees at end of year		4	4
	Average GS grade and salary		12.8 $10,286	13.0 $10,703
01	Personal services:			
	Permanent positions		$36,100	$42,480
	Positions other than permanent		1,730	
	Other personal services		160	330
	Total personal services		37,990	42,810
02	Travel		1,450	1,395
04	Communication services		500	500
06	Printing and reproduction		500	500
07	Other contractual services		260	395
	Services performed by other agencies		1,340	
08	Supplies and materials		500	500
09	Equipment		100	100
11	Grants, subsidies, and contributions		2,360	2,800
	Total obligations		45,000	49,000

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.

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

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GENERAL PROVISIONS—Continued

DEPARTMENTS, AGENCIES, AND CORPORATIONS—Continued

House of Representatives: *Provided further,* That the Bureau of the Budget shall make a report to Congress not later than January 31, 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] *208.* Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), 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] *209.* No part of any appropriation contained in this Act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress. (*General Government Matters Appropriation Act, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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							$1,800	For transportation of officials and staff of the Bureau of the Budget in the Washington area.
COUNCIL OF ECONOMIC ADVISERS								
Salaries and expenses							400	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 CIVIL AND DEFENSE MOBILIZATION								
Salaries and expenses							42,000	In the transaction of official business of the Office, rented General Services Administration motor pool vehicles are assigned as follows: Director (Washington); deputy director (Washington); general needs of the Washington office; executive assistant director and emergency trips in Battle Creek, Mich.; general needs of the Battle Creek, Mich. office; classified location; Olney facility; OCDM Eastern Training Center; OCDM Western Training Center; a total of 20 vehicles will be assigned to the 8 regional offices for use of regional directors and staff.
Total, Executive Office of the President.						2	44,200	

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FUNDS APPROPRIATED TO THE PRESIDENT

The 1960 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 $95 million more than in 1959, primarily because the increase recommended for the mutual security program is larger than the decrease recommended for expansion of defense production.

Military assistance.—Expenditures for military assistance to friendly nations abroad will decrease in 1960. Missiles will comprise a greater part of total deliveries than previously. Credit sales are expected to increase further.

Economic and technical development.—For economic assistance, new obligational authority recommended for 1960 is $254 million more than total availability in 1959. A large part of this increase, $85 million, is for defense support, mainly for Far Eastern and Middle Eastern countries.

New obligational authority of $700 million is recommended for 1960 for the development loan fund compared with $625 million for 1959 (including a requested $225 million supplemental appropriation). The increases in 1959 and 1960 are to provide the fund with sufficient working capital to meet an anticipated sharp rise in loan commitments.

This budget also provides increases for technical cooperation (mainly for bilateral programs), 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 contributions to the Intergovernmental Committee for European Migration.

Foreign information and exchange.—New obligational authority of $7.1 million is recommended for the President's special international program for 1960, compared with $6.4 million for 1959. The program for 1960 includes (1) participation in 14 trade fairs and exhibitions in 1960 and advance planning for 8 exhibits occurring in early 1961; and (2) about 35 cultural presentation projects, such as overseas tours of orchestras and theatrical, musical, dance and sport groups. The United States presently plans to open a special exhibition in Moscow on July 4, 1959, to demonstrate American cultural, scientific, and technological achievements to the Russian people. The Soviet Government also plans a similar exhibition in New York in June 1959. These exhibitions represent another step in carrying out the recent cultural interchange agreement with Soviet Russia. Our exhibition will be largely financed from the mutual security appropriations enacted for 1959.

Expansion of defense production.—This program is authorized by the Defense Production Act to encourage the expansion of productive capacity for materials needed for defense—mainly by means of loans, purchase contracts, and commitments to purchase output not sold by the producer in the open market. Financing is provided by borrowing from the Treasury Department up to a limit of $2.1 billion.

Present market conditions are causing substantial deliveries of materials under contracts made in prior years and do not permit significant resale to industry. In addition, no sales to the strategic stockpile are planned in 1960. As a result, the $2.1 billion borrowing authority is expected to be exhausted in the first half of 1960. Legislation is being proposed to authorize cancellation of notes payable to the Treasury Department in an amount equal to realized losses. This will provide an estimated $325 million of new obligational authority in 1959 to finance outstanding commitments.

No new commitments are anticipated in 1959 or 1960. Expenditures are expected to decline from $441 million in 1958 to $288 million in 1959 and to $215 million in 1960, as contracts expire. Aluminum, copper, cobalt, and nickel represent the major materials expected to be delivered under outstanding contracts.

Disaster relief.—No new obligational authority is included for 1960 for assistance to State and local governments in the relief of damage and suffering from natural disasters. Unused prior year appropriations of $24.9 million carried into the current year should be adequate to meet needs in both 1959 and 1960.

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

By function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Major national security:						
067 Stockpiling and defense production expansion		$325,000		$440,754	$287,841	$214,999
068 Military assistance	$1,340,000	1,515,000	$1,600,000	2,187,482	2,312,201	1,850,000
Total, major national security	1,340,000	1,840,000	1,600,000	2,628,236	2,600,042	2,064,999
International affairs and finance:						
152 Economic and technical development	1,424,183	2,001,029	2,330,000	1,423,750	1,568,607	1,647,803
153 Foreign information and exchange activities	15,168	6,411	7,100	16,251	9,041	6,805
Total, international affairs and finance	1,439,351	2,007,440	2,337,100	1,440,001	1,577,648	1,654,608
Labor and welfare:						
215 Promotion of science, research, libraries, and museums		5,100			1,400	1,600
Commerce and housing:						
521 Disaster insurance, loans, and relief	25,000			12,701	11,837	11,500
General government:						
603 Executive direction and management	1,000	1,000	1,250	484	1,205	1,165
610 Other general government			10,500			10,500
Total, general government	1,000	1,000	11,750	484	1,205	11,665
Total, funds appropriated to the President	2,805,351	3,853,540	3,948,850	4,081,422	4,192,132	3,744,372

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
DEFENSE AID												
Current authorizations:												
Defense aid, special fund	152					$1						
DISASTER RELIEF												
Current authorizations:												
Disaster relief	521	$25,000				12,701	$11,837		$11,837	$11,500		$11,500
EMERGENCY FUND FOR THE PRESIDENT												
Current authorizations:												
Emergency fund for the President, national defense	603	1,000	$1,000		$1,000	382	1,014		1,014	1,000		1,000
EXPANSION OF DEFENSE PRODUCTION												
Public enterprise funds:												
Revolving fund, Defense Production Act	067											
Proposed for later transmission (other than pay increase supplementals):						440,754	287,841		287,841	89,810		89,810
Under proposed legislation: Revolving fund, Defense Production Act (authorization to expend from debt receipts)				$325,000							$125,189	125,189
Total, expansion of defense production				325,000		440,754	287,841		287,841	89,810	125,189	214,999
EXPENSES OF MANAGEMENT IMPROVEMENT												
Current authorizations:												
Expenses of management improvement	603				250	102	191		191	165		165
MUTUAL SECURITY												
Current authorizations:												
Military assistance:												
Military assistance	068	1,340,000	1,515,000			2,187,437	2,312,200		2,312,200	1,600,000		1,600,000
Common-use items												
Economic assistance:												
Defense support	152	1,124,183	1,376,029			1,422,796	1,445,000		1,445,000	874,000		874,000
Technical cooperation, general authorization												
United Nations expanded program of technical assistance, general and related fund												
Technical cooperation programs of the Organization of American States												
Special assistance, general authorization												
Intergovernmental Committee for European Migration												
Program of United Nations High Commissioner for Refugees												
Escapee program												
United Nations children fund												
United Nations Relief and Works Agency												
Ocean freight charges, United States voluntary relief agencies												
Control Act expenses												
General administrative expenses												
Atoms for peace												
President's special authority and contingency fund												
President's fund for Asian economic development												
Defense support, Asia												
Defense support, Europe												
Defense support, Latin America												
Defense support, Near East and Africa												
Defense support, Near East, Africa, and South Asia												
Development assistance												
Development assistance, American Republics and non-self-governing Territories of the Western Hemisphere												
Development assistance, Asia												
Development assistance, Near East and Africa												

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
MUTUAL SECURITY—Continued												
Current authorizations—Continued												
Economic assistance—Continued												
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 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												
Mutual security loans, Export-Import Bank of Washington												
North Atlantic Treaty Organization												
Ocean freight charges, surplus agricultural commodities												
Palestine refugee program												
Southeast Asia and the Western Pacific												
Special assistance in joint control areas in Europe												
Special economic assistance, India and Pakistan												
Special Presidential fund												
United Nations Refugee fund												
Public enterprise funds:												
Development loan fund (current appropriation)	152	$300,000	$400,000			$1,500	$125,000		$125,000	$155,000		$155,000
Limitation on administrative expenses, development loan fund	152		(1,250)									
Foreign investment guaranty fund	152					−655	−1,400		−1,400	−2,200		−2,200
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Development loan fund	152			$225,000							$25,000	25,000
Under proposed legislation:												
Military assistance	068				$1,600,000						250,000	250,000
Economic assistance	152				1,630,000						576,000	576,000
Development loan fund	152				700,000						20,000	20,000
Total, mutual security		2,764,183	3,291,029	225,000	3,930,000	3,611,078	3,880,800		3,880,800	2,626,800	871,000	3,497,800
PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM												
Current authorizations:												
President's special international program	153	15,168	6,411		7,100	16,251	9,041		9,041	6,805		6,805
REFUGEE RELIEF												
Current authorizations:												
Refugee relief	152					108	7		7	3		3
SPECIAL FOREIGN CURRENCY PROGRAM												
Current authorizations:												
Translation of publications and scientific cooperation	215		5,100				1,400		1,400	1,600		1,600
TRANSITIONAL GRANTS TO ALASKA												
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation: Transitional grants to Alaska	610				10,500						10,500	10,500

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
MISCELLANEOUS												
Current authorizations:												
Assistance to Greece and Turkey	068					$45	$1		$1			
Relief assistance to countries devastated by war	152					28						
Obligations, defense aid, liquidation lend-lease program	152					−28						
Total, miscellaneous						45	1		1			
Total new obligational authority and budget expenditures		$2,805,351	$3,303,540	$550,000	$3,948,850	4,081,422	4,192,132		4,192,132	$2,737,683	$1,006,689	$3,744,372
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$2,805,351	$3,303,540		$8,350	$4,081,422	$4,192,132			$2,737,683		
Authorizations to expend from debt receipts												
Proposed for later transmission (other than pay increase supplementals):												
Appropriations			225,000		3,940,500					1,006,689		
Authorizations to expend from debt receipts			325,000									
Total new obligational authority and budget expenditures		2,805,351	3,853,540		3,948,850	4,081,422	4,192,132			3,744,372		

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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
EXPANSION OF DEFENSE PRODUCTION										
Revolving fund, Defense Production Act	067	$579,540	$346,693	$124,021	$138,786	$58,851	$34,211	$440,754	$287,841	$89,810
Proposed for later transmission	067			125,189						125,189
MUTUAL SECURITY										
Development loan fund:										
Enacted or recommended	152	1,500	129,200	168,000		4,200	13,000	1,500	125,000	155,000
Proposed for later transmission	152			25,900			900			25,000
Foreign investment guaranty fund	152				655	1,400	2,200	−655	−1,400	−2,200
Total, public enterprise funds		581,040	475,893	443,110	139,441	64,451	50,311	441,599	411,441	392,799

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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	$83	$218	$83	$217	$83	$217				$83	$217
DISASTER RELIEF											
Current authorizations:											
Disaster relief	13,124	20,284	24,852	32,583	12,492	20,746			$11,500		9,246
EMERGENCY FUND FOR THE PRESIDENT											
Current authorizations:											
Emergency fund for the President, national defense		275		84		70	$1,000	$930	70		70
EXPANSION OF DEFENSE PRODUCTION											
Public enterprise funds:											
Revolving fund, Defense Production Act:											
Cash		34,675		22,903		22,332			89,810		21,840
Authorization to expend from debt receipts	592,603	805,570	178,975	376,588		89,318					
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Revolving fund, Defense Production Act (authorization to expend from debt receipts)					267,566	325,000			125,189	95,989	199,811
Total, expansion of defense production	592,603	840,245	178,975	399,491	267,566	436,650			214,999	95,989	221,651
EXPENSES OF MANAGEMENT IMPROVEMENT											
Current authorizations:											
Expenses of management improvement	519	528	366	426	211	235	250	141	24	300	320
MUTUAL SECURITY											
Current authorizations:											
Military assistance:											
Military assistance [1]	538,800	2,000,402	21,464	1,141,208	60,000	983,612			1,600,000	15,000	487,117
Common-use items											
Economic assistance:											
Defense support	225,449	1,872,709	11,950	1,583,042		1,514,071			874,000		640,071
Technical cooperation, general authorization											
United Nations expanded program of technical assistance and related fund											
Technical cooperation programs of the Organization of American States											
Special assistance, general authorization											
Intergovernmental Committee for European Migration											
Program of United Nations High Commissioner for Refugees											
Escapee program											
United Nations children fund											
United Nations Relief and Works Agency											
Ocean freight charges, U. S. voluntary relief agencies											
Control Act expenses											
General administrative expenses											
Atoms for Peace											
President's special authority and contingency fund											
President's fund for Asian economic development											
Defense support, Asia											
Defense support, Europe											
Defense support, Latin America											
Defense support, Near East and Africa											
Defense support, Near East, Africa, and South Asia											
Development assistance											
Development assistance, American Republics and non-self-governing Territories of the Western Hemisphere											
Development assistance, Asia											

[1] Excludes outstanding common-item order reservations accounted for as balances under Department of Defense—Military Functions, see table on pp. 538-539.

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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 assistance—Continued											
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 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											
Mutual security loans, Export-Import Bank of Washington											
North Atlantic Treaty Organization											
Ocean freight charges, surplus agricultural commodities											
Palestine refugee program											
Southeast Asia and the Western Pacific											
Special assistance in joint control areas in Europe											
Special economic assistance, India and Pakistan											
Special Presidential fund											
United Nations refugee fund											
Public enterprise funds:											
Development loan fund (current appropriation)	----------	----------	$197,900	$298,500	$97,900	$573,500	----------	----------	$155,000	----------	$418,500
Foreign investment guaranty fund:											
Cash	----------	$2,028	----------	2,683	----------	4,083	----------	----------	−2,200	----------	6,283
Authorization to expend from debt receipts	$105,177	199,072	107,519	199,072	62,538	199,072	----------	----------		$21,592	199,072
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Development loan fund	----------	----------	----------	----------	225,000	225,000	----------	----------	25,000	----------	200,000
Under proposed legislation:											
Military assistance [1]	----------	----------	----------	----------	----------	----------	$1,600,000	$250,000	----------	25,000	415,000
Economic assistance	----------	----------	----------	----------	----------	----------	1,630,000	576,000	----------	----------	1,054,000
Development loan fund	----------	----------	----------	----------	----------	----------	700,000	20,000	----------	322,900	680,000
Total, mutual security	869,426	4,074,211	338,833	3,224,505	445,438	3,499,338	3,930,000	846,000	2,651,800	384,492	4,100,043
PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM											
Current authorizations:											
President's special international program	3,009	6,610	2,370	5,527	318	2,897	7,100	4,300	2,505	----------	3,192
REFUGEE RELIEF											
Current authorizations:											
Refugee relief	----------	184	----------	10	----------	3	----------	----------	3	----------	----------
SPECIAL FOREIGN CURRENCY PROGRAM											
Current authorizations:											
Translation of publications and scientific cooperation	----------	----------	----------	----------	----------	3,700	----------	----------	1,600	----------	2,100
TRANSITIONAL GRANTS TO ALASKA											
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Transitional grants to Alaska	----------	----------	----------	----------	----------	----------	10,500	10,500	----------	----------	----------

[1] Excludes outstanding common-item order reservations accounted for as balances under Department of Defense—Military Functions, see table on pp. 538–539.

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
MISCELLANEOUS											
Current authorizations:											
Assistance to Greece and Turkey		$1		$1							
Obligations, defense aid, liquidation lend-lease program		1,730									
United Nations Relief and Rehabilitation Administration		26									
Total, miscellaneous		1,757		1							
Total, funds appropriated to the President	$1,478,764	4,944,312	$545,479	3,662,844	$726,108	$3,963,856	$3,948,850	$861,871	$2,882,501	$480,864	$4,336,839
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$780,984	$3,902,967	$258,985	$3,061,598	$171,004	$3,099,051				$15,383	$1,560,833
Authorizations to expend from debt receipts	697,780	1,004,642	286,494	575,660	62,538	288,390	$8,350	$5,371	$2,732,312	21,592	199,072
Revolving and management funds		36,703		25,586		26,415					28,123
Proposed for later transmission:											
Appropriations					225,000	225,000				347,900	2,349,000
Authorizations to expend from debt receipts					267,566	325,000	3,940,500	856,500	150,189	95,989	199,811
Total, funds appropriated to the President	1,478,764	4,944,312	545,479	3,662,844	726,108	3,963,856	3,948,850	861,871	2,882,501	480,864	4,336,839

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$3,902,967	$3,061,598	$3,099,051
Authorizations to expend from debt receipts	1,004,642	575,660	288,390
Revolving and management funds	36,703	25,586	26,415
Proposed for later transmission:			
Appropriations			225,000
Authorizations to expend from debt receipts			325,000
Total balances brought forward	4,944,312	3,662,844	3,963,856
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	2,805,351	3,303,540	8,350
Proposed for later transmission:			
Appropriations		225,000	3,940,500
Authorizations to expend from debt receipts		325,000	
Total new obligational authority proposed for later transmission		550,000	3,940,500
Total new obligational authority	2,805,351	3,853,540	3,948,850
Other amounts available:			
Net transfers of balances from other agencies	19,543	639,604	168,505
Adjustment of balances upward in expired accounts, net	6		
Total other amounts available	19,549	639,604	168,505
Total budget authorizations available	7,769,212	8,155,988	8,081,211
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	4,081,422	4,192,132	5,371
Out of balances of prior obligational authority			2,732,312
Total expenditures from obligational authority enacted or recommended	4,081,422	4,192,132	2,737,683
From obligational authority proposed for later transmission:			
Out of new obligational authority			856,500
Out of balances of prior obligational authority			150,189
Total expenditures from obligational authority proposed for later transmission			1,006,689
Total budget expenditures	4,081,422	4,192,132	3,744,372
Amounts no longer available: Unobligated balances expiring and lapsing	24,948		
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	3,061,598	3,099,051	1,560,833
Authorizations to expend from debt receipts	575,660	288,390	199,072
Revolving and management funds	25,586	26,415	28,123
Proposed for later transmission:			
Appropriations		225,000	2,349,000
Authorizations to expend from debt receipts		325,000	199,811
Total balances carried forward at close of year	3,662,844	3,963,856	4,336,839
Obligations incurred, net	$3,733,231	$4,312,515	$4,362,599

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DEFENSE AID

Permanent authorizations:

DEFENSE AID, SPECIAL FUND

(Indefinite special fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)	$1,328		
Financing:			
Unobligated balance brought forward	−83,497	−$82,512	−$82,512
Recovery of prior year obligations	−343		
Unobligated balance carried forward	82,512	82,512	82,512
Appropriation (new obligational authority)			

Object Classification

ALLOCATION TO TREASURY DEPARTMENT			
13 Refunds, awards, and indemnities	$1,328		

DISASTER RELIEF

Current authorizations:

DISASTER RELIEF

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration	$391,722	$360,000	$363,889
2. Aid to disaster areas	12,879,897	12,000,000	12,128,400
Total obligations	13,271,619	12,360,000	12,492,289
Financing:			
Unobligated balance brought forward	−13,123,908	−24,852,289	−12,492,289
Unobligated balance carried forward	24,852,289	12,492,289	
Appropriation (new obligational authority)	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 administration of this program is delegated to the Office of Civil and Defense Mobilization. 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. Unused prior year appropriations of $24.9 million carried into the current year should be adequate to meet needs in both 1959 and 1960.

Major disasters proclaimed by the President and allocation of funds made to States in 1958 are:

State	*Type*	*Date declared*	*Allocation*
Texas	Flood	July 11, 1957	$500,000
Louisiana	do	do	650,000
Arkansas	Tornado	July 19, 1957	400,000
Minnesota	Flood	July 31, 1957	800,000
Missouri	Tornado	Aug. 6, 1957	850,000
North Dakota	do	do	20,000
Illinois	Flood	do	500,000
Arkansas	Tornado	Aug. 22, 1957	400,000
Louisiana	Flood	Sept. 3, 1957	2,000,000
Kansas	Tornado	Sept. 10, 1957	105,900
Idaho	do	Sept. 13, 1957	62,550
Oklahoma	Flood	Sept. 17, 1957	$1,000,000
Texas	do	Oct. 15, 1957	600,000
Louisiana	do	Nov. 8, 1957	900,000
Oklahoma	do	Nov. 22, 1957	800,000
North Carolina	Hurricane	May 14, 1958	750,000
California	Flood	May 16, 1958	2,000,000
North Dakota	Tornado	June 12, 1958	4,000
Arkansas	Flood	June 24, 1958	500,000
Total 1958 declarations			12,842,450
Plus net administrative allocations			384,190
Plus reimbursements to Federal agencies for 1958 and prior disasters			3,325,099
Less returns to President's fund			1,771,855
Less unobligated balances of 1958 and prior declarations and administrative allocations			1,508,265
Total obligations 1958			13,271,619

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	19	6	6
Full-time equivalent of all other positions	19	32	20
Average number of all employees	38	38	35
Number of employees at end of year	24	6	6
Average GS grade and salary	9.2 $7,352	8.3 $6,689	8.3 $6,753
01 Personal services:			
Permanent positions	$139,695	$40,136	$40,518
Positions other than permanent	127,066	219,864	207,482
Other personal services	4,105	5,000	20,000
Total personal services	270,866	265,000	268,000
02 Travel	36,987	35,000	35,000
03 Transportation of things	143	1,600	2,000
04 Communication services	40,482	31,000	31,000
05 Rents and utility services	13,952	10,000	10,000
06 Printing and reproduction	389	400	549
07 Other contractual services	51	800	900
Services performed by other agencies	229,547	600,000	300,000
08 Supplies and materials	1,837	1,500	1,500
11 Grants, subsidies, and contributions	12,674,944	11,413,000	11,841,600
12 Pensions, annuities, and insurance claims	591	820	830
15 Taxes and assessments	1,830	880	910
Total obligations	13,271,619	12,360,000	12,492,289
Obligations are distributed as follows:			
Office of Civil and Defense Mobilization	$13,036,983	$11,760,000	$12,192,289
Corps of Engineers, Army	42,352	600,000	300,000
Housing and Home Finance Agency	192,284		

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.

Appropriated 1959, **$1,000,000** Estimate 1960, **$1,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Emergency programs (total obligations)	$191,287	$1,000,000	$1,000,000
Financing:			
Unobligated balance no longer available	808,713		
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

	1958 actual	1959 estimate	1960 estimate
EMERGENCY FUND FOR THE PRESIDENT			
Reserved for future allocations		$1,000,000	$1,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	34		
Full-time equivalent of all other positions	2		
Average number of all employees	6		
Number of employees at end of year	42		
Average GS grade and salary	9.2 $6,709		
Average salary of ungraded positions	$3,765		
01 Personal services:			
Positions other than permanent	$44,607		
Permanent positions	30,232		
Other personal services	834		
Total personal services	75,673		
02 Travel	10,958		
04 Communication services	5,302		
06 Printing and reproduction	1,920		
07 Other contractual services	6,367		
Services performed by other agencies	28,178		
08 Supplies and materials	7,880		
09 Equipment	52,143		
11 Grants, subsidies, and contributions	1,965		
15 Taxes and assessments	901		
Total, allocation accounts	191,287		
Total obligations	191,287	1,000,000	1,000,000
Obligations are distributed as follows:			
Reserved for future allocation		$1,000,000	$1,000,000
Commission on Civil Rights	$130,523		
General Services Administration	48,740		
Office of Civil and Defense Mobilization	12,024		

EXPANSION OF DEFENSE PRODUCTION

Public enterprise funds:

REVOLVING FUND, DEFENSE PRODUCTION ACT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Minerals and metals production program (General Services Administration):			
Purchase of commodities:			
Aluminum	$228,456,191	$83,594,000	$45,907,000
Bauxite	15,311,746	4,257,000	
Cobalt	16,442,381	21,318,000	24,432,000
Copper	53,027,561	34,217,000	4,010,000
Manganese	49,280,555	28,613,000	17,949,000
Mica	4,838,467	15,918,000	13,709,000
Nickel	78,049,184	69,874,000	57,163,000
Titanium	36,814,300	3,182,000	576,000
Other	12,985,935	15,016,000	13,788,000
Other program expense	7,271,185	11,286,000	9,198,000
2. Machine tool program (General Services Administration)	1,005,991	511,000	517,000
3. Rubber program (General Services Administration)	28,856		
4. Other (General Services Administration):			
Administrative	2,168,032	2,379,000	1,966,300
Interest	29,439,548	47,722,000	49,126,000
Custodial	2,295,829	4,000,000	4,500,000
5. Agricultural commodities program (Agriculture):			
Interest	1,502,660	1,677,839	9,751
Other program expense	300,716	68,140	152,812
6. Mineral exploration program (Interior):			
Interest	744,300	850,000	100,000
Other program expense	3,472,386	1,191,922	340,000
7. Domestic lending program (Treasury):			
Interest	4,302,934	4,620,000	4,600,000
Other program expense	219,006	445,000	150,000
8. Foreign lending program (Export-Import Bank):			
Interest	855,177	748,000	822,000
Other program expense	2,046	2,000	2,000
9. Assets transferred to other agencies	1,277,933		
Total operating costs	550,092,919	351,489,901	249,017,863

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Operating costs—Continued			
Unfunded adjustments to total operating costs:			
Assets transferred to other agencies (−)	−$1,277,933		
Depreciation included above (General Services Administration) (−)	−7,737,161	−$5,500,000	−$5,500,000
Provision for self-insurance at Government-owned plant (General Services Administration) (−)	−136,396	−100,000	−100,000
Loss on disposal of assets (General Services Administration) (−)	−591,369		
Writeoff of advances to contractors (General Services Administration) (−)	−1,801,308		
Capital assets reclassified as expense (General Services Administration) (−)	−76,044		
Provision for losses on loans (Interior) (−)	−1,993,078	−991,922	−340,000
Total operating costs, funded	536,479,630	344,897,979	243,077,863
Capital outlay:			
1. Minerals and metals production program (General Services Administration): Lands, structures, equipment, and advances	24,876,239		
2. Machine tool program (General Services Administration)	12,761		
4. Administrative expenses (General Services Administration): Office equipment	12,028	13,000	11,700
6. Mineral exploration program (Interior): Loans	2,491,348	1,781,600	400,000
7. Domestic lending program (Treasury): Loans	6,000,000		
8. Foreign lending program (Export-Import Bank): Loans	28,060		
Total capital outlay [1]	33,420,436	1,794,600	411,700
Total program costs, funded	569,900,066	346,692,579	243,489,563
10. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−63,472,025	−60,600,671	−39,196,000
Total program (obligations)	506,428,041	286,091,908	204,293,563
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts (proposed legislation)		325,000,000	
Revenue and receipts:			
Collection of loans	8,642,772	8,220,577	15,480,000
Repayment of advances	30,005,910	7,064,000	4,800,000
Proceeds from sale of fixed assets	4,448,885	300,000	35,000
Sale of commodities	33,035,962	20,601,000	
Other receipts	15,338,102	12,034,435	10,940,900
Recovery of prior year obligations	1,328,024	1,463,508	1,460,000
Total amounts becoming available	92,799,655	374,683,520	32,715,900
Unobligated balance brought forward (authorization to expend from public debt receipts)	592,603,272	178,974,886	267,566,498
Total amounts available	685,402,927	553,658,406	300,282,398
Unobligated balance carried forward (authorization to expend from public debt receipts)	−178,974,886	−267,566,498	−95,988,835
Total financing applied to program	506,428,041	286,091,908	204,293,563

[1] Excludes property transferred in without charge of $107,383 in 1958.

Under section 304 (b) of the Defense Production Act of 1950, as amended, designated agencies are authorized with Presidential approval to incur obligations and make expenditures for the purpose of securing expanded production of critical materials in furtherance of the defense effort. The program is conducted through a revolving fund, with financing by borrowings from the Treasury. The act provides that the amount borrowed shall not exceed an aggregate of $2.1 billion outstanding at any one time, but permits contingent liabilities to be considered as obligations only to the extent of the probable ultimate net costs to the United States, rather than in the full amount of the gross commitments outstanding. To the extent that money must be expended to fulfill commitments, even though the expenditures are considered to be ultimately recoverable (through repayments of loans and sale of inventories, for example), portions of the borrowing authority are required to be used for working capital on a current basis.

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EXPANSION OF DEFENSE PRODUCTION—Con.

Public enterprise funds—Continued

REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued

Programs must be certified as essential to the national defense by the Office of Civil and Defense Mobilization. As of June 30, 1958, that Office has certified programs having a gross value of $8,355 million. Borrowings certified, which are expected to cover expenses only through 1959, are as follows:

BORROWINGS CERTIFIED AS OF JUNE 30, 1958

[In thousands]

	Total	*Working capital*	*Probable ultimate net cost*
General Services Administration	$1,754,510	$746,413	$1,008,097
Treasury Department	202,354	200,754	1,600
Department of Agriculture	66,366	.....	66,366
Department of the Interior	37,011	.....	37,011
Export-Import Bank of Washington	32,375	32,375	.....
Total certified	2,092,616	979,542	1,113,074
Unused balance	7,384	.....	.....
Total authority	2,100,000	.....	.....

As one of the inducements for expanding production most of the contracts provided a guaranteed market for the production from the expanded facilities. As the result of changes in military requirements and the slow-down in the civilian economy in 1958 much of this production could not be marketed for industrial use in that period. Therefore, significant amounts of materials are being delivered to the Defense Production Act inventory under options granted the contractor. Inventory working capital requirements reached high levels and by December 31, 1958, the cost of the Defense Production Act inventory was over $1.2 billion.

Until recently it was assumed that a substantial portion of these materials could be transferred to the national stockpile to fill stockpiling needs. However, objectives have been reduced sharply as a result of a change in planning and programing concepts from a 5-year basis to a 3-year basis. Transfers to the strategic stockpile have been virtually suspended for an indefinite period. In addition, Defense Production Act materials are not disposed of where such sales would disrupt the domestic market. There is little foreseeable disposition for the substantial inventories being accumulated. Therefore, there is a need for substantial additional funds to fulfill outstanding commitments and acquire the additional inventories concerned. Present forecasts indicate that the fund will be completely exhausted as far as cash and borrowing authority are concerned early in 1960, thus necessitating remedial legislation.

Interest continues to accrue, payable by the fund to the Treasury, not only on the borrowings invested in loans and inventories, but also on the borrowings which have been used to cover losses. Since there is no way for the fund to recover its realized losses, the perpetuation of the interest-bearing arrangement on such expended capital merely serves to make the cumulative deficit even greater as the interest accrues each year. Legislative authority is being requested to write off the fund's notes to Treasury in a sum equal to the actual losses incurred under this program by the participating agencies through December 31, 1958, which will restore an equivalent amount of borrowing authority, estimated at $325 million. This action will cover estimated cash requirements until sometime in 1961.

General Services Administration.—Borrowing authority of $1,754,510,000 has been certified as of June 30, 1958, to finance the expansion of productive capacity for strategic metals, minerals and machine tools. This amount includes $1,008,097,000 for probable ultimate net cost of specific programs of which $766,406,000 is for metals and minerals programs, $64,900,000 for machine tool and marine turbine and gear capacity programs, and $176,791,000 for Treasury interest, custodial, and administrative expenses. It also includes $746,413,000 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. The exercise of option rights by contractors has been carefully examined with a view to reducing deliveries to the Government as far as possible within the terms of the contracts whenever basic stockpiling objectives have been attained. A reduction of $278,646,000 in gross commitments has been attained through renegotiation of contracts since July 1, 1957.

A summary of transactions involving strategic minerals and metals (including work-in-process inventory) under this fund follows:

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Inventory—July 1	$679.7	$1,144.6	$1,393.9
Deliveries during year	495.1	271.9	173.4
Total available for sale	1,174.8	1,416.5	1,567.3
Sales during year:			
To national stockpile	9.2	2.7	.....
To industry	23.8	17.9	.....
Total sales	33.0	20.6	.....
Losses (−) on sales or profits	−2.8	2.0	.....
Inventory—June 30	1,144.6	1,393.9	1,567.3
Total dispositions and June 30 inventory	1,174.8	1,416.5	1,567.3

Major Defense Production Act programs administered by General Services Administration are as follows:

1. 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.

2. Domestic purchase programs designed to increase domestic production by fixed incentive prices available to all domestic producers of materials such as beryl and mica.

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 and synthetic mica.

4. A program for the production of nickel from the Government-owned Nicaro nickel plant.

5. A program of sales, leases and machine tools storage and standby machine tool production contracts.

As of June 30, 1958, a total of $7,550.1 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 $5,968.2 million has been completed as measured by procurement, guaranteed production, completion of facilities, completed research, etc. The balance of $1,581.9 million includes a total of $1,367.8 of commodity contracts some of which will not mature until 1964.

Cumulative losses from resale of commodities, Treasury interest and operating expenses through June 30, 1958, amount to $221.1 million.

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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 1958, 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, 1958. The remainder of the cotton will be sold during 1959. However, it is contemplated that a small amount of castor beans will remain in the inventory of the Commodity Credit Corporation beyond June 30, 1960.

Net realized losses on purchase and resale operations amounted to $300,716 during 1958 and is estimated at $68,140 and $152,812 during 1959 and 1960, respectively. Net budgetary expenditures of $4,941,074 for 1960 include payment of cumulative interest. Further interest expense of a little more than $1.5 million a year will be eliminated with the proposed cancellation of Treasury notes covering realized losses.

In addition to purchase and resale operations, the Secretary of Agriculture may recommend to the Office of Civil and Defense Mobilization the certification of certain loans for increasing plant capacity to process or store agricultural commodities. No loans were certified during 1958 and none are expected to be certified during 1959 and 1960.

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 1958. It is contemplated that there will be no additional certifications to the Export-Import Bank in connection with these operations. No additional obligational authority will be required. It is estimated that net budget receipts for 1960 will be $5,121,900.

During 1958, borrowing authority allocated to Export-Import Bank under the Defense Production Act of 1950, was reduced from $50 to $35 million. As of June 30, 1958, the outstanding balance of notes due the Treasury was $29,569,026.

Treasury Department.—The function of making and administering loans to 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 only upon certification of essentiality by Office of Civil and Defense Mobilization. Net loan certifications were $198,699,085 on June 30, 1958, against which actual borrowings from the Treasury amounted to $166,510,000.

There were no new loan commitments authorized under this authority during 1958 and none are anticipated for 1960. However, a certificate of essentiality has been issued in 1959 for one of the present borrowers in the gross amount of $2,000,000 with the Government share being $1,800,000 of which $1,035,000 is being used to refund the existing loan. This loan is being made in participation with a bank and the disbursement of Treasury funds is deferred.

Loans outstanding on June 30, 1958, totaled $181,700,577, and $16,998,508 in commitments to participate in loans made by banks wherein disbursement of Treasury funds is deferred. By the close of 1960 it is estimated that the loans will be reduced to $165,880,000 and the deferred participation commitments to $14,840,000.

Loans and commitments outstanding are disposed of to private financial institutions and investors whenever possible.

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, 1958, the Office of Civil and Defense Mobilization had certified to the Defense Minerals Exploration Administration borrowing authority in the amount of $37,011,000. From the beginning of the program through June 30, 1958, Defense Minerals Exploration Administration had entered into 1,159 contracts in which the Government's share of estimated costs amounted to $34,821,069, as against total estimated costs of $56,798,111.

Defense Minerals Exploration Administration had certified, as of the end of June 30, 1958, 337 discoveries on projects involving contract amounts of $21,811,621, of which the Government's share is $13,690,228. As of June 30, 1958, a total of $11,039,589 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 according to a royalty arrangement.

The Administrator of the Defense Minerals Exploration Administration announced the termination of the program under the borrowing authority as of June 30, 1958, except for contracts in effect on that date. Public Law 85–701, enacted August 21, 1958, provided for a similar program on a permanent basis to be financed by appropriations. The Congress appropriated funds for the minerals exploration program, including administration of contracts entered into under the prior Defense Minerals Exploration Administration program.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Advances	$176,356	$284,824	$284,824	$284,824
Supplies	5,362,046	6,143,486	6,143,486	6,143,486
Deferred charges	4,361,174	1,267,940	1,267,940	1,267,940
Undisbursed commitments and unpaid undelivered orders	232,030,902	169,434,179	107,370,000	66,714,000
Total selected resources at end of year	241,930,478	177,130,429	115,066,250	74,410,250
Selected resources at start of year (−)		−241,930,478	−177,130,429	−115,066,250
Adjustment due to recovery of prior year obligations		1,328,024	1,463,508	1,460,000
Costs financed from obligations of other years, net (−)		−63,472,025	−60,600,671	−39,196,000

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EXPANSION OF DEFENSE PRODUCTION—Con.

Public enterprise funds—Continued

REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
General Services Administration:			
Mineral and metals program:			
Acquisition of assets	$24,876,239		
Expense:			
Purchases and manufacturing costs	491,558,405	$271,889,000	$173,434,000
Other expense	1,536,030	10,286,000	8,198,000
Machine tool program:			
Acquisition of machine tools	12,761		
Expense	52,783	11,000	17,000
Rubber program:			
Expense	28,856		
Undistributed:			
Acquisition of administrative equipment	12,028	13,000	11,700
Expense	33,903,409	54,101,000	55,592,300
Total, General Services Administration	551,974,511	336,300,000	237,253,000
Department of Agriculture:			
Expense	1,803,376	1,745,979	162,563
Increase in selected working capital	9,493,624		4,778,511
Total, Department of Agriculture	11,297,000	1,745,979	4,941,074
Department of the Interior:			
Loan program:			
Acquisition of loans	2,491,348	1,781,600	400,000
Expense	2,223,608	1,050,000	100,000
Increase in selected working capital			942,000
Total, Department of the Interior	4,714,956	2,831,600	1,442,000
Treasury Department:			
Acquisition of loans	6,000,000		
Expense	4,521,940	5,065,000	4,750,000
Increase in selected working capital	139,742		
Total, Treasury Department	10,661,682	5,065,000	4,750,000
Export-Import Bank of Washington:			
Acquisition of loans	28,060		
Expense	857,223	750,000	824,000
Increase in selected working capital	6,081		
Total, Export-Import Bank of Washington	891,364	750,000	824,000
Total gross expenditures	579,539,513	346,692,579	249,210,074
Receipts from operations (funds provided):			
General Services Administration:			
Minerals and metals program:			
Proceeds from sale of fixed assets	253,183	200,000	
Advances repaid	30,005,910	7,064,000	4,800,000
Revenue	36,655,693	21,901,000	1,100,000
Machine tool program:			
Proceeds from sale of equipment	4,194,935	100,000	35,000
Revenue	1,184,530	521,000	167,000
Rubber program:			
Revenue	2,316		
Undistributed:			
Donated working capital	9,511		
Decrease in selected working capital	47,199,727	8,212,000	1,963,000
Total, General Services Administration	119,505,805	37,998,000	8,065,000
Department of Agriculture:			
Decrease in selected working capital		1,572,433	
Department of the Interior:			
Loan program:			
Loans repaid	619,847	450,000	450,000
Proceeds from sale of equipment	767		
Decrease in selected working capital	114,215	50,000	
Total, Department of the Interior	734,829	500,000	450,000
Treasury Department:			
Loans repaid	3,870,728	3,290,577	10,550,000
Revenue	8,849,734	8,785,000	8,450,000
Decrease in selected working capital		759,568	750,000
Total, Treasury Department	12,720,462	12,835,145	19,750,000
Export-Import Bank of Washington:			
Loans repaid	4,152,197	4,480,000	4,480,000
Revenue	1,672,280	1,428,435	1,223,900
Decrease in selected working capital		37,465	242,000
Total, Export-Import Bank of Washington	5,824,477	5,945,900	5,945,900
Total receipts from operations	138,785,573	58,851,478	34,210,900
Budget expenditures	440,753,940	287,841,101	214,999,174

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
General Services Administration:			
Minerals and metals program:			
Revenue	$36,655,693	$21,961,000	$1,100,000
Expense	35,261,724	38,005,000	13,298,000
Net operating income or loss (−), minerals and metals program	1,393,969	−16,104,000	−12,198,000
Machine tool program:			
Revenue	1,184,530	521,000	167,000
Expense	835,052	511,000	517,000
Net operating income or loss (−), machine tool program	349,478	10,000	−350,000
Rubber program:			
Revenue	2,316		
Expense	28,856		
Net operating loss (−), rubber program	−26,540		
Undistributed: Expense (net operating loss (−), undistributed)	−33,903,409	−54,101,000	−55,592,300
Nonoperating income or loss (−):			
Proceeds from sale of assets:			
Machine tool program	4,194,935	100,000	35,000
Minerals and metals program	253,183	200,000	
Net book value of assets sold (−)	−5,039,487	−300,000	−35,000
Net loss (−) from sale of assets	−591,369		
Writeoff advances to contractors	−1,801,308		
Net nonoperating loss (−)	−2,392,677		
Net loss (−) for the year, General Services Administration	−34,579,179	−70,195,000	−68,140,300
Department of Agriculture: Expense (net operating loss (−) for the year)	−1,803,376	−1,745,979	−162,563
Department of the Interior:			
Expense	4,216,686	2,041,922	440,000
Nonoperating income: Proceeds from sale of equipment	767		
Net loss (−) for the year, Department of the Interior	−4,215,919	−2,041,922	−440,000
Treasury Department:			
Revenue	8,849,734	8,785,000	8,450,000
Expense	4,521,940	5,065,000	4,750,000
Net operating income	4,327,794	3,720,000	3,700,000
Nonoperating income or loss (−):			
Writeoff loans	−662,230	−1,795,000	−185,000
Increase (−) or decrease in valuation allowances	−1,090,209	2,090,000	185,000
Net nonoperating income or loss (−)	−1,752,439	295,000	
Net income for the year, Treasury Department	2,575,355	4,015,000	3,700,000
Export-Import Bank of Washington:			
Revenue	1,672,280	1,428,435	1,223,900
Expense	857,223	750,000	824,000
Net income for the year, Export-Import Bank of Washington	815,057	678,435	399,900
Net loss (−) for the year	−37,208,062	−69,289,466	−64,642,963
Analysis of deficit:			
Deficit (−), beginning of year	−247,601,830	−284,809,892	−29,099,358
Restoration of capital impairment through cancellation of Treasury notes (proposed legislation)		325,000,000	
Deficit (−), end of year	−284,809,892	−29,099,358	−93,742,321

Financial Condition

Assets:			
Cash with Treasury	$22,902,594	$22,331,593	$21,839,519
Accounts receivable, net	15,543,697	14,922,561	14,384,561
Advances to other Government agencies, agents and employees	284,824	284,824	284,824
Commodities for sale	1,144,587,406	1,393,857,406	1,567,291,406
Supplies	6,143,486	6,143,486	6,143,486
Deferred charges	1,267,940	1,267,940	1,267,940
Loans receivable, net	208,739,782	201,603,883	186,183,883
Advances on long term contracts	21,927,593	14,863,593	10,063,593
Land, structures and equipment, net	119,990,479	114,203,479	108,680,179
Total assets	1,541,387,801	1,769,478,765	1,916,139,391
Liabilities:			
Current liabilities [1]	66,625,200	76,635,530	73,332,019
Reserves—Government-owned plant	541,698	641,698	741,698
Total liabilities and reserves	67,166,898	77,277,228	74,073,717

[1] Excludes nonfunded annual leave liability of $58,195.

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Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Government investment:			
Interest-bearing capital:			
Start of year	$1,294,430,142	$1,723,412,026	$1,685,682,126
Borrowings from Treasury during year, net	428,981,884	287,270,100	214,507,100
Cancellation of Treasury notes (proposed legislation)		−325,000,000	
End of year	1,723,412,026	1,685,682,126	1,900,189,226
Non-interest-bearing capital:			
Start of year	36,789,319	35,618,769	35,618,769
Donated assets	107,383		
Assets transferred to other Government agencies or funds (−)	−1,277,933		
End of year	35,618,769	35,618,769	35,618,769
Deficit (−)	−284,809,892	−29,099,358	−93,742,321
Total Government investment	1,474,220,903	1,692,201,537	1,842,065,674

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$34,674,650	$22,902,594	$22,331,593	$21,839,519
Budget authorizations:				
Based on existing legislation	805,569,858	376,587,974	89,317,874	
Based on proposed legislation			325,000,000	199,810,774
Total unexpended balance	840,244,508	399,490,568	436,649,467	221,650,293
Obligated balance, net:				
Current liabilities	40,803,444	66,625,200	76,635,530	73,332,019
Undisbursed commitments and unpaid undelivered orders	232,030,902	169,434,179	107,370,000	66,714,000
Accounts receivable net, and cash in transit (−)	−25,193,110	−15,543,697	−14,922,561	−14,384,561
Total obligated balance	247,641,236	220,515,682	169,082,969	125,661,458
Unobligated balance	592,603,272	178,974,886	267,566,498	95,988,835

Object Classification—Administrative Expenses

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	329	258	162
Full time equivalent of other positions	4		
Average number of all employees	293	215	158
Number of employees at end of year	293	199	160
Average GS grade and salary	8.6 $6,697	8.9 $7,633	8.4 $7,200
Average salary of ungraded positions	$1,848	$1,820	
01 Personal services:			
Permanent positions	$1,969,987	$1,507,079	$1,108,901
Positions other than permanent	28,904	3,329	
Other personal services	41,001	17,837	19,299
Total personal services	2,039,892	1,528,245	1,128,200
02 Travel	63,999	84,402	62,200
03 Transportation of things	4,241	8,950	6,050
04 Communication services	26,174	38,002	27,100
05 Rents and utility services	780	2,000	2,000
06 Printing and reproduction	9,837	15,958	11,300
07 Other contractual services	37,711	33,646	23,200
Services performed by other agencies	1,528,078	871,587	740,100
08 Supplies and materials	10,825	15,020	10,900
09 Equipment	12,594	13,000	11,700
11 Grants, subsidies, and contributions	75,589	71,316	48,550
13 Refunds, awards, and indemnities	2,345	6,000	5,200
15 Taxes and assessments	1,902	4,012	3,500
Total accrued administrative expenditures	3,813,967	2,692,138	2,080,000
Accrued administrative expenditures are distributed as follows:			
General Services Administration	$1,966,092	$1,957,000	$1,603,000
Department of the Interior	1,720,498	633,138	375,000
Treasury Department	125,331	100,000	100,000
Export-Import Bank	2,046	2,000	2,000

EXPENSES OF MANAGEMENT IMPROVEMENT

Current authorizations:

EXPENSES OF MANAGEMENT IMPROVEMENT

For expenses necessary to assist the President in improving the management of executive agencies and in obtaining greater economy and efficiency through the establishment of more efficient business methods in Government operations, 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 $75 per diem, by allocation to any agency or office in the executive branch for the conduct, under the general direction of the Bureau of the Budget, of examinations and appraisals of, and the development and installation of improvements in, the organization and operations of such agency or of other agencies in the executive branch, $250,000, to remain available until expended, and to be available without regard to the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended.

Estimate 1960, **$250,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Improving the management of executive agencies (total obligations)	$152,630	$155,233	$161,000
Financing:			
Unobligated balance brought forward	−518,863	−366,233	−211,000
Unobligated balance carried forward	366,233	211,000	300,000
Appropriation (new obligational authority)			250,000

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

	1958 actual	1959 estimate	1960 estimate
EXPENSES OF MANAGEMENT IMPROVEMENT			
Reserved for future allocations		$108,548	$161,000
ALLOCATION TO BUREAU OF THE BUDGET			
Full-time equivalent of all other positions	2	3	
Average number of all employees	3	3	
Number of employees at end of year	3	3	
01 Personal services:			
Positions other than permanent	$20,703	$40,842	
Other personal services	150	129	
Total personal services	20,853	40,971	
02 Travel	689	1,090	
07 Other contractual services	79,957	2,398	
11 Grants, subsidies, and contributions	1,036	2,205	
15 Taxes and assessments	95	21	
	102,630	46,685	
ALLOCATION TO NATIONAL LABOR RELATIONS BOARD			
07 Other contractual services	50,000		
Total obligations	152,630	155,233	161,000

[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 economic and military 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

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[MUTUAL SECURITY]—Continued

State and Defense. The Secretary of State has been delegated responsibility for general coordination.

The mutual security program takes two principal forms, military assistance and economic assistance. Military assistance includes military end items, supplies, training, construction, and research. Economic assistance includes the development loan fund which is designed to stimulate economic development by providing capital on a loan basis. Unlike the military assistance and other economic programs, the fund is not programed on a country basis; rather, projects submitted by eligible countries are reviewed and approved on their economic and financial merits within the funds made available by Congress. Other economic assistance consists of defense support, special assistance, contingency funds, technical cooperation, contributions to the United Nations and other international agencies for voluntary multilateral programs, and a few miscellaneous activities.

From 1959 appropriations, about $180 million is being programed to purchase surplus agricultural commodities for sale in the recipient countries. Local currency proceeds from these and other commodities are used for local requirements of the mutual security program in economic programs and projects and troop support.

Substantial unexpended balances are required because of the time necessary for the procurement and delivery of military equipment and for implementing complex economic development projects. There has been a decline in unexpended balances for military assistance during the past several years.

Appropriations required in 1960 to finance the mutual security program under existing and proposed legislation appear later in this chapter under Proposed for later transmission.

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, 1959 unless otherwise specified herein, as follows:]

MILITARY ASSISTANCE

[Military assistance: For assistance authorized by section 103 (a) to carry out the purposes of chapter I (including administrative expenses as authorized by section 103 (b), which shall not exceed $25,000,000 for the fiscal year 1959, and purchase for replacement only of passenger motor vehicles for use abroad), $1,515,000,000;] (*Mutual Security Appropriation Act, 1959.*)

Appropriated 1959, **$1,515,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grant aid operations:			
1. Deliveries of materiel common to U. S. requirements ordered from—			
(a) Army	$429,301,276	$663,762,000	$438,000,000
(b) Navy	94,719,043	182,400,000	177,000,000
(c) Air Force	839,291,667	734,841,542	503,504,737
2. Offshore procurement	38,164,324	60,010,000	
3. Other materiel programs	36,904,788	16,649,000	
4. Supply operations	205,019,241	174,056,000	
5. Training	57,401,990	90,139,000	
6. Administration	21,812,606	25,000,000	
7. Contributions to international military headquarters and agencies	5,548,717	7,500,000	
8. Contributions to construction of facilities in other countries:			
(a) Infrastructure	49,990,382	60,000,000	
(b) Military public works	75,817,318	60,900,000	
9. Research and development	20,324,542	34,600,000	
10. Other activities	1,171,945	22,146,000	
Total, grant aid operations	1,875,467,839	2,132,003,542	1,118,504,737

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Military sales operations:			
1. Deliveries of material common to U. S. requirements under mutual security military sales ordered from—			
(a) Army	$38,293,941	$21,000,000	$30,000,000
(b) Navy		2,600,000	15,000,000
(c) Air Force	6,766,890	22,000,000	40,000,000
2. Direct financing of sales	29,960,288		
Total, military sales operations	75,021,119	45,600,000	85,000,000
Total obligations	1,950,488,958	2,177,603,542	1,203,504,737
Financing:			
Comparative transfers to other accounts	181,563		
Balance brought forward:			
Unobligated and unreserved:			
Grant aid	−538,800,000	−21,464,531	−25,000,000
Military sales receipts			−35,000,000
Reserved (69 Stat. 438)	−2,251,611,737	−2,232,068,719	−1,592,465,177
Recovery of prior year obligations	−105,093,127		
Collections of mutual security military sales:			
Common item orders		−31,575,181	−80,000,000
Direct sales		−29,960,288	
Balance carried forward:			
Unobligated and unreserved:			
Grant aid	21,464,531	25,000,000	
Military sales receipts		35,000,000	15,000,000
Reserved (69 Stat. 438)	2,232,068,719	1,592,465,177	488,960,440
Unobligated balance transferred to—"Military assistance" shown under Proposed for later transmission			25,000,000
Economic assistance (68 Stat. 849)	25,000,000		
Unobligated and unreserved balance no longer available	6,301,093		
Appropriation (new obligational authority)	1,340,000,000	1,515,000,000	

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 overseas bases. Forty-seven 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 emphasized, commensurate with their supply availability, allies' technical capabilities, and the nature of the threat.

Grant aid operations—1. *Common item orders.*—Most military assistance materiel is procured through orders placed in the military services for common procurement with similar items in the service programs. Such orders consitute a reservation of funds, from which the service is entitled to reimbursement upon delivery of the items ordered. Commencing in 1959, this activity includes Navy ship construction and the cost of repairing and rehabilitating excess equipment either ordered from the military services or scheduled for redistribution from one country to another. The obligations estimated represent only reimbursements earned by 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.

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2. *Offshore procurement.*—Through 1958, 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.

3. *Other materiel programs.*—This includes for 1959, only those costs incurred for ship construction, activation, or repair initiated prior to 1959. All shipbuilding costs for new activity initiated in 1959 are included under activity 1 above.

4. *Supply operations.*—Included for 1959 are packing, handling, and transportation costs. The reduction from 1958 results from the transfer of costs of repair and rehabilitation of excess equipment either ordered from the military services or scheduled for redistribution from one country to another (previously under this activity) to activity 1 above.

5. *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 increased.

6. *Administration.*—The administrative expenses of the military assistance advisory groups and the departmental costs of the program are included.

7. *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, SEATO, and the Baghdad Pact Liaison Group.

8. *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.

9. *Research and development.*—This program is intended to accelerate research and development by our allies of advanced weapons and to combine United States weapon technology with their productive capability.

10. *Other activities.*—These include support for United Nations forces in Korea, weapons production (the United States contribution to a cost-sharing program for production by our allies), and nutritional surveys.

Military sales operations—1. *Common item orders.*—The majority of military sales are handled as common item orders, similar to the grant aid operations. Under section 103 (c) of the Mutual Security Act, repayments made within 3 years, not to exceed $175 million, can be credited to the current appropriation and be available for re-use until expended. Repayments made over a longer period of time revert to miscellaneous receipts of the Treasury.

2. *Direct financing of sales.*—In exceptional cases, sales are financed directly with mutual security funds without use of the reimbursement procedure. The provisions for re-use of repayments also apply in such cases. The obligations in 1958 represent a loan to France.

Object Classification

	1958 actual	1959 estimate	1960 estimate
SECRETARY OF DEFENSE			
Total number of permanent positions	207	219	
Full-time equivalent of all other positions	3	7	
Average number of all employees	201	212	
Number of employees at end of year	197	208	
Average GS grade and salary	8.2 $6,763	8.3 $7,454	
01 Personal services:			
Permanent positions	$1,391,855	$1,508,270	
Positions other than permanent	44,185	77,500	
Other personal services	164,272	201,630	
Total personal services	1,600,312	1,787,400	
02 Travel	373,471	492,000	
03 Transportation of things	13,412	21,400	
04 Communication services	39,933	44,000	
05 Rents and utility services	1,432	1,600	
06 Printing and reproduction	16,357	17,000	
07 Other contractual services	19,098,407	30,271,400	
08 Supplies and materials	18,965	21,000	
09 Equipment	16,029,103	28,000	
11 Grants, subsidies, and contributions	54,969,670	66,672,700	
13 Refunds, awards, and indemnities	2,100	4,100	
15 Taxes and assessments	1,511	1,400	
Total, Secretary of Defense	92,164,673	99,362,000	
ARMY			
Total number of permanent positions	3,027	3,081	
Full-time equivalent of all other positions	2	3	
Average number of all employees	2,694	2,968	
Number of employees at end of year	2,861	2,815	
Average GS grade and salary	8.1 $5,869	8.2 $6,451	
01 Personal services:			
Permanent positions	$10,373,800	$11,979,211	
Positions other than permanent	8,252	10,723	
Other personal services	5,532,735	6,069,287	
Total personal services	15,914,787	18,059,221	
02 Travel	11,230,867	16,219,686	
03 Transportation of things	46,039,933	66,491,149	
04 Communication services	28,646	41,375	
05 Rents and utility services	173,457	250,508	
06 Printing and reproduction	23,474	33,901	
07 Other contractual services	47,853,860	69,110,834	
08 Supplies and materials	319,125,380	418,882,271	$276,588,000
09 Equipment	215,828,731	311,701,157	191,412,000
10 Land and structures	55,127,434	79,615,373	
11 Grants subsidies and contributions	552,424	626,890	
13 Refunds awards and indemnities	12,616	18,220	
15 Taxes and assessments	18,983	27,415	
Total, Army	711,930,592	981,078,000	468,000,000
NAVY			
Total number of permanent positions	2,575	3,279	
Average number of all employees	2,149	2,853	
Number of employees at end of year	2,366	3,150	
Average GS grade and salary	5.3 $4,860	5.1 $4,820	
01 Personal services:			
Permanent positions	$6,449,185	$8,982,000	
Other personal services	1,074,040	1,285,000	
Total personal services	7,523,225	10,267,000	
02 Travel	4,272,138	8,266,000	
03 Transportation of things	3,916,426	3,909,000	
04 Communication services	31,753	31,000	
05 Rents and utility services	97,523	111,000	
06 Printing and reproduction	107,727	202,000	
07 Other contractual services	3,310,476	12,792,000	
08 Supplies and materials	48,552,288	77,900,000	76,800,000
09 Equipment	98,024,375	123,426,000	115,200,000
10 Land and structures	28,690		
11 Grants, subsidies, and contributions	70,058	111,000	
15 Taxes and assessments	2,789	5,000	
Total, Navy	165,937,468	237,020,000	192,000,000
AIR FORCE			
Total number of permanent positions	400	370	
Average number of all employees	380	368	
Number of employees at end of year	337	365	
Average GS grade and salary	7.5 $6,035	7.6 $6,661	
Average salary of ungraded positions	$1,538	$1,637	
01 Personal services:			
Permanent positions	$2,140,716	$2,214,351	
Other personal services	730,932	793,825	
Total personal services	2,871,648	3,008,176	
02 Travel	8,372,165	8,917,767	
03 Transportation of things	35,947,604	25,526,096	
04 Communication services	2,800	2,800	
05 Rents and utility services	18,500		
06 Printing and reproduction	36,080	37,100	
07 Other contractual services	59,886,890	63,181,212	
Services performed by other agencies		14,610	
08 Supplies and materials	259,153,765	228,171,806	163,052,000
09 Equipment	601,245,148	521,889,296	380,452,737
11 Grants, subsidies, and contributions	119,072	123,419	

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[MUTUAL SECURITY]—Continued

Current authorizations—Continued

MILITARY ASSISTANCE—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
AIR FORCE—continued			
13 Refunds, awards, and indemnities	$5,984	$6,100	
15 Taxes and assessments	117	160	
Total, Air Force	967,659,773	850,878,542	$543,504,737
ALLOCATION ACCOUNTS			
Total number of permanent positions	756	704	
Full-time equivalent of all other positions	2	1	
Average number of all employees	638	659	
Number of employees at end of year	619	670	
Average FSS grade and salary	6.6 $7,103	7.7 $7,062	
Average FSR grade and salary	1.8 $14,300	3.8 $10,868	
Average salary of ungraded positions	$1,506	$1,538	
01 Personal services:			
Permanent positions	$1,158,433	$1,323,855	
Positions other than permanent	2,715	2,000	
Other personal services	130,148	150,090	
Total personal services	1,291,296	1,475,945	
02 Travel	133,990	158,100	
03 Transportation of things	123,743	138,900	
04 Communication services	146,376	130,400	
05 Rents and utility services	1,007,373	1,098,300	
06 Printing and reproduction	6,392	6,000	
07 Other contractual services	465,003	534,800	
Services performed by other agencies	3,483,802	3,760,645	
08 Supplies and materials	465,478	383,000	
09 Equipment	627,209	469,250	
11 Grants, subsidies, and contributions	5,045,441	1,109,210	
13 Refunds, awards, and indemnities	35		
15 Taxes and assessments	314	450	
Total, allocation accounts	12,796,452	9,265,000	
Total obligations	1,950,488,958	2,177,603,542	$1,203,504,737
Obligations are distributed as follows:			
Department of Defense:			
Secretary of Defense	$92,164,673	$99,362,000	
Army	711,930,592	981,078,000	$468,000,000
Navy	165,937,468	237,020,000	192,000,000
Air Force	967,659,773	850,878,542	543,504,737
Department of State	6,682,911	6,902,000	
International Cooperation Administration	6,149,797	2,363,000	
Export-Import Bank of Washington	−36,256		

ECONOMIC ASSISTANCE

[Defense support: For assistance authorized by section 131 (b), $750,000,000: *Provided*, That not less than $50,000,000 thereof shall be available for Spain exclusive of technical cooperation;]

[Technical cooperation, general authorization: For assistance authorized by section 304, $150,000,000;]

[United Nations expanded program of technical assistance and related fund: For contributions authorized by section 306 (a), $20,000,000;]

[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), $200,000,000;]

[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;]

[Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405 (c), $1,200,000;]

[Escapee program: For assistance authorized by section 405 (d), $8,600,000;]

[United Nations Children's Fund: For contributions authorized by section 406, $11,000,000;]

[United Nations Relief and Works Agency: For contributions and expenditures authorized by section 407, $25,000,000, and in addition the unobligated balances of funds heretofore made available for this purpose are continued available;]

[Ocean freight charges, United States voluntary relief agencies: For payments authorized by section 409 (c), $2,100,000;]

[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), $33,000,000;]

[Atoms for Peace: For assistance authorized by section 419, $5,500,000;]

[President's Special Authority and Contingency Fund: For assistance authorized by section 451 (b), $155,000,000;]

[President's Fund for Asian Economic Development: Unobligated balances of funds heretofore made available for the President's Fund for Asian Economic Development are hereby continued available for the fiscal year 1959 for the purposes for which originally appropriated.] (*Mutual Security Appropriation Act, 1959.*)

Appropriated 1959, **$1,376,400,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Defense support:			
(a) Europe	$42,840,855	$50,000,000	
(b) Near East and South Asia	181,365,169	241,275,000	
(c) Far East	584,314,736	595,255,000	
2. Technical cooperation:			
(a) General	142,779,548	164,365,000	
(b) United Nations	15,500,000	23,300,000	
(c) Organization of American States	1,500,000	1,500,000	
3. Special assistance:			
(a) Europe and Africa	133,101,341	112,753,462	
(b) Near East and South Asia	97,165,741	118,350,000	
(c) Far East	39,653,000	7,200,000	
(d) Latin America	46,570,466	30,000,000	
(e) Nonregional programs	25,610,428	48,003,413	
4. Other programs:			
(a) Migrant, refugee and escapee programs	26,845,825	22,300,000	
(b) United Nations children's fund	11,000,000	11,000,000	
(c) United Nations Relief and Works Agency	21,372,000	27,428,000	
(d) Ocean freight charges, U. S. voluntary relief agencies	1,846,225	2,100,000	
(e) Control Act expenses	1,033,693	1,084,000	
(f) Administrative expenses (other than military assistance)	31,286,066	36,950,000	
(g) Atoms for peace	4,434,718	6,250,000	
(h) President's fund for Asian economic development	82,986,600	3,147,870	
(i) Special programs	1,600,000	311,851	
Total obligations	1,492,806,411	1,502,573,596	
Financing:			
Comparative transfers to other accounts	2,687,460	405,000	
Unobligated balance brought forward:			
Annual appropriation acts	−128,250,000	−2,428,000	
Other legislative authority:			
Appropriation	−97,080,414	−9,210,245	
Authorization to expend from public debt receipts	−118,537	−311,851	
Recovery of prior year obligations	−148,865,596	−115,000,000	
Unobligated balance transferred from "Military assistance" (68 Stat. 849)	−25,000,000		
Unobligated balance transferred to "Administrative expenses," Department of State (Mutual Security Act, sec. 411 (c))		371,500	
Unobligated balance carried forward:			
Annual appropriation acts	2,428,000		
Other legislative authority:			
Appropriation	9,210,245		
Authorization to expend from public debt receipts	311,851		
Unobligated balance no longer available	16,053,580		
Appropriation (new obligational authority)	1,124,183,000	1,376,400,000	

1. *Defense support.*—Defense support, a function under economic assistance, is required in addition to military assistance in order to secure a specific contribution to the common defense of another country in which U. S. military aid is helping to support significant military forces. The level of defense support is intended to be sufficient to prevent economic retrogression, political instability, inflation, balance of payments crises, or other conditions which might adversely affect the military effort.

Defense support funds provide food (about one-fifth of the program is for surplus agricultural commodities), fertilizers, industrial raw materials, fuels and machinery.

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These commodities are sold in commercial markets for local currency which, in turn, is used for military budget support and essential economic projects.

(*a*) *Europe*—Spain, where the United States holds base rights of strategic importance, is the only European country now receiving defense support aid. The Mutual Security Appropriation Act of 1959 provides that not less than $50 million of defense support funds be available for Spain.

(*b*) *Near East and South Asia*—Greece, Turkey, Iran, and Pakistan, all of which are associated with the United States in regional defense pacts, are receiving defense support assistance. As a result of economic pressures and the generally tense political situation in the area, the program for 1959 has increased.

(*c*) *Far East*—The major portion of defense support is allocated to seven Far East countries, Korea, Taiwan, Vietnam, Cambodia, Laos, Thailand, and the Philippines, all of which maintain relatively large forces as a deterrent to Communist aggression.

2. *Technical cooperation.*—This activity is designed to assist less-developed countries to increase their knowledge and skills in a number of fields—agriculture, education, health, industry, mining, labor, public administration, transportation, housing, and community development. In bilateral programs the United States pursues its aims by sending technicians to less-developed countries, training students in the United States and other countries, and by providing some supplies and equipment for demonstration purposes. A segment of the program is carried out through contracts with American universities and other private organizations. Multilaterally, the United States contributes annually to the technical assistance programs of the United Nations and the Organization of American States.

3. *Special assistance.*—This assistance is intended to cover requirements which do not meet the criteria of defense support or the development loan fund. There are a great variety of such requirements, for example: Limited ability to repay loans, balance of payments crises, economic stabilization, certain equipment for civil police forces, and certain special projects. Also included in this appropriation is the malaria eradication program.

4. *Other programs.*—In addition to the activities listed above in the table, there are also included funds for contingencies. After appropriation, these funds are distributed among the programs shown on the table and, therefore, are not listed separately.

Loans.—The International Cooperation Administration and predecessor agencies have been authorized, by several laws, to make loans to friendly nations. Loans 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:

	1958 actual	*1959 estimate*	*1960 estimate*
Loan obligations incurred:			
United States currency	129	56	--
Foreign currency	7	5	--
Loan disbursements made:			
United States currency	196	108	80
Foreign currency	23	76	43
Loan principal repayments (U. S. currency)	23	29	32
Interest collections:			
United States currency	41	44	44
Foreign currency	1	7	11

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 generally constitute the obligations; payments against those obligations are considered to be loan disbursements under the agreements.

The outstanding loans at the end of the respective fiscal years are:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Loans outstanding	1,950	2,198	2,353	2,444
Interest past due	2	4	6	7
Undisbursed loan obligations	443	358	235	112
Unobligated authority	50	-----	-----	-----

Object Classification

	1958 actual	1959 estimate	1960 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions	11,297	11,616	
Full-time equivalent of all other positions	53	82	
Average number of all employees	9,458	10,696	
Number of employees at end of year	10,219	11,176	
Average GS grade and salary	8.8 $6,609	8.8 $7,301	
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1158):			
Foreign Service reserve	4.0 $10,147	4.2 $10,179	
Foreign Service staff	5.8 $8,021	7.1 $7,576	
Average salary of ungraded positions	$1,307	$1,362	
01 Personal services:			
Permanent positions	$47,911,247	$54,258,697	
Positions other than permanent	283,966	604,580	
Other personal services	10,449,991	12,029,529	
Total personal services	58,645,204	66,892,806	
02 Travel	10,385,130	11,511,000	
03 Transportation of things	32,996,410	38,932,000	
04 Communication services	771,311	895,000	
05 Rents and utility services	4,230,952	4,972,000	
06 Printing and reproduction	505,367	569,000	
07 Other contractual services	99,533,082	119,830,000	
Services performed by other agencies	12,366,531	15,290,000	
08 Supplies and materials	602,028,002	714,691,000	
09 Equipment	144,695,267	171,435,000	
10 Lands and structures	326,862	90,000	
11 Grants, subsidies, and contributions	302,015,526	211,259,437	
13 Refunds, awards, and indemnities	17,165	18,500	
15 Taxes and assessments	57,732	65,000	
16 Investments and loans	89,307,970	45,454,000	
Unvouchered	10,663	11,000	
Total, International Cooperation Administration	1,357,893,174	1,401,915,743	
ALLOCATION ACCOUNTS			
Total number of permanent positions	1,039	1,054	
Full-time equivalent of all other positions	61	55	
Average number of all employees	1,058	1,153	
Number of employees at end of year	948	1,013	
Average GS grade and salary	8.2 $6,095	8.2 $6,726	
Average grade and salary established by the Director, International Cooperation Administration (68 Stat. 833)	5.2 $9,263	5.1 $10,364	
01 Personal services:			
Permanent positions	$7,484,797	$8,915,266	
Positions other than permanent	341,738	334,319	
Other personal services	714,954	869,283	
Total personal services	8,541,489	10,118,868	
02 Travel	993,740	1,211,893	
03 Transportation of things	11,532,789	12,657,338	
04 Communication services	89,881	101,828	
05 Rents and utility services	13,414	22,810	
06 Printing and reproduction	59,976	58,266	
07 Other contractual services	7,193,042	10,751,438	
Services performed by other agencies	1,161,490	1,370,130	
08 Supplies and materials	80,027,528	91,405,376	
09 Equipment	16,858,333	27,670,548	
11 Grants, subsidies, and contributions	101,670,094	100,901,263	
13 Refunds, awards, and indemnities	2,833	650	
15 Taxes and assessments	25,385	21,441	
16 Investments and loans	35,000,000	-----	
Subtotal	263,169,994	256,291,849	
Deduct—			
Quarters and subsistence charges	590	600	
Portion of foregoing obligations originally charged to other object classes under International Cooperation Administration:			
Department of Agriculture	15,880,005	16,181,334	
Army	42,074,381	52,973,099	
Corps of Engineers, Army	56,333	94,225	
Department of Commerce	13,637,649	27,336,200	
Farm Credit Administration	24,258	32,000	
Federal Communciations Commission	103,600	105,000	
General Services Administration	42,995,630	43,600,000	
Department of Health, Education, and Welfare	6,766,381	7,554,074	
Housing and Home Finance Agency	192,492	436,150	
Department of the Interior	2,405,603	2,915,829	
Department of Labor	2,686,734	3,005,485	
Navy	1,433,101	1,400,000	
Total, allocation accounts	134,913,237	100,657,853	
Total obligations	1,492,806,411	1,502,573,596	

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[MUTUAL SECURITY]—Continued

Current authorizations—Continued

ECONOMIC ASSISTANCE—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Obligations are distributed as follows:			
International Cooperation Administration	$1,357,893,174	$1,401,915,743	
Atomic Energy Commission	3,435,300	4,750,000	
Army	1,498,727	2,000,000	
Department of Commerce	283,050	158,700	
Department of State	94,696,160	93,749,153	
Export-Import Bank of Washington	35,000,000		

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Foreign Currencies, Mutual Security

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Military purposes:			
(a) Projects	$25,303,986	$58,561,017	$19,099,013
(b) Budget support	82,032,477	85,542,609	67,227,226
(c) Military procurement		3,415,121	
2. Economic purposes:			
(a) Projects	124,876,277	150,370,859	37,162,109
(b) Budget support	31,326,400	16,839,230	12,171,986
(c) Procurement for third countries	58,592,418	46,794,071	11,387,474
Total obligations	322,131,558	361,522,907	147,047,808
Financing:			
Unobligated balance brought forward	−216,028,653	−176,197,255	−76,223,492
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	5,602,292		
Unobligated balance carried forward	176,197,255	76,223,492	38,629,434
Unobligated balance no longer available	284		
Authorization to expend foreign currency receipts (sec. 402, Mutual Security Act)	287,902,736	261,549,144	109,453,750

Foreign currencies are available for mutual security activities resulting from the sale of surplus agricultural commodities purchased with mutual security appropriations for friendly countries for their currencies.

Local currencies accruing from these sources are deposited in a special account and are used for economic and military activities in furtherance of mutual security objectives. These activities include the local costs of projects, budget support of the lesser developed countries, and procurement of supplies and materials for third countries.

Object classification

		1958 actual	1959 estimate	1960 estimate
	INTERNATIONAL COOPERATION ADMINISTRATION			
11	Grants, subsidies, and contributions	$248,630,975	$270,071,769	$140,040,728
16	Investments and loans	55,458,086	58,000,000	7,007,080
	Total, International Cooperation Administration	304,089,061	328,071,769	147,047,808
	DEPARTMENT OF DEFENSE			
07	Other contractual services	16,166,310	20,565,807	
08	Supplies and materials	500,000	3,500,000	
09	Equipment	1,376,187	9,385,331	
	Total, Department of Defense	18,042,497	33,451,138	
	Total obligations	322,131,558	361,522,907	147,047,808

Analysis of Expenditures

	1958 actual	1959 estimate	1960 estimate
Obligated balance brought forward	$88,256,599	$141,296,006	$236,448,659
Obligations incurred	322,131,558	361,522,907	147,047,808
Obligated balance carried forward	−141,296,006	−236,448,659	−176,573,752
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	5,434,777		
Adjustment of prior year obligations	−370,218	−144,164	
Expenditures	274,156,710	266,226,090	206,922,715
Expenditures are distributed as follows:			
Sec. 402, Mutual Security Act of 1954	$244,164,532	$256,065,581	$202,082,474
Sec. 502, Mutual Security Act of 1954	30,223,890	10,042,683	4,840,241
Sec. 505 (a), Mutual Security Act of 1954		112,260	
Sec. 560, Mutual Security Act of 1954	−231,712	5,566	

Foreign currency realized under the Agricultural Trade Development and Assistance Act as amended (7 U. S. C. 1704)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Military procurement	$77,652,469	$45,635,746	$29,000,000
2. Purchase of goods or services for other countries	1,708,464	3,000,000	4,000,000
3. Promoting balanced economic development and trade among nations	1,295,682	2,000,000	3,000,000
4. Loans for multilateral trade and economic development	155,014,025	196,631,033	326,834,169
Total obligations	235,670,640	247,266,779	362,834,169
Financing:			
Unobligated balance brought forward	−105,662,383	−1,154,128,436	−1,300,231,657
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	6,626,030		
Unobligated balance carried forward	1,154,128,436	1,300,231,657	937,397,488
New obligational authority	1,290,762,723	393,370,000	
New obligational authority:			
New authorizations from sales agreements signed in 1957 and prior years	$929,486,461		
New authorizations from current sales agreements	361,276,262	$393,370,000	

Foreign currencies generated by the sale of agricultural surplus commodities under this act are allocated to the Department of Defense for military procurement and 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

		1958 actual	1959 estimate	1960 estimate
	INTERNATIONAL COOPERATION ADMINISTRATION			
11	Grants, subsidies, and contributions	$16,470,409	$22,000,000	$36,000,000
16	Investments and loans	155,014,025	196,631,033	326,834,169
	Total, International Cooperation Administration	171,484,434	218,631,033	362,834,169
	DEPARTMENT OF DEFENSE			
07	Other contractual services	54,000,000	7,000,000	
08	Supplies and materials	7,186,206	19,635,746	
09	Equipment	3,000,000	2,000,000	
	Total, Department of Defense	64,186,206	28,635,746	
	Total obligations	235,670,640	247,266,779	362,834,169

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Analysis of Expenditures

	1958 actual	1959 estimate	1960 estimate
Obligated balance brought forward	$25,950,757	$30,545,701	$46,974,462
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−94,632		
Obligations incurred	235,670,640	247,266,779	362,834,169
Obligated balance carried forward	−30,545,701	−46,974,462	−59,821,295
Expenditures	230,981,064	230,838,018	349,987,336

Status of Unfunded Allocations

Unfunded balance, start of year	$111,062,734	$1,169,394,707	$1,262,855,804
New authorizations from sales agreements signed in 1957 and prior years	929,486,461		
New authorizations from current sales agreements	361,276,262	393,370,000	
Unfunded balance, end of year	−1,169,394,707	−1,262,895,804	−883,999,064
Transfers into agency accounts	232,430,750	299,868,903	378,856,740

[CORPORATIONS]

[The Development Loan Fund 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 in 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 such corporation, except as hereinafter provided:] (*Mutual Security Appropriation Act, 1959.*)

Public enterprise funds:

DEVELOPMENT LOAN FUND

[Development Loan Fund: For advances to the Development loan fund as authorized by section 203, $400,000,000, to remain available until expended;] (*Mutual Security Appropriation Act, 1959.*)

Appropriated 1959, **$400,000,000**

Program and Financing

	APPROPRIATED FUNDS			Foreign currencies (in dollar equivalents)			Total		
	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Program by activities:									
1. Direct loan commitments	$102,100,000	$474,750,000	$90,500,000			$4,000,000	$102,100,000	$474,750,000	$94,500,000
2. Guaranteed loan commitments		25,000,000	10,000,000					25,000,000	10,000,000
3. Administration	142,644	1,250,000	(1)				142,644	1,250,000	
Total program (obligations)	102,242,644	501,000,000	100,500,000			4,000,000	102,242,644	501,000,000	104,500,000
Financing:									
Amounts becoming available:									
Appropriations	300,000,000	400,000,000					300,000,000	400,000,000	
Comparative transfer from "General administrative expenses," International Cooperation Administration	142,644						142,644		
Collection of loans			500,000		$1,200,000	5,000,000		1,200,000	5,500,000
Interest earned		500,000	1,400,000		2,000,000	5,400,000		2,500,000	6,800,000
Fees for guaranties issued		500,000	700,000					500,000	700,000
Total amounts becoming available	300,142,644	401,000,000	2,600,000		3,200,000	10,400,000	300,142,644	404,200,000	13,000,000
Unobligated balance brought forward		197,900,000	97,900,000			3,200,000		197,900,000	101,100,000
Total amounts available	300,142,644	598,900,000	100,500,000		3,200,000	13,600,000	300,142,644	602,100,000	114,100,000
Unobligated balance carried forward	−197,900,000	−97,900,000			−3,200,000	−9,600,000	−197,900,000	−101,100,000	−9,600,000
Financing applied to program	102,242,644	501,000,000	100,500,000			4,000,000	102,242,644	501,000,000	104,500,000

[1] Excludes estimates for administrative expenses which will be considered with estimates to be submitted under proposed legislation.

This fund finances loans, credits, or guaranties to governments of underdeveloped nations or to organizations, persons, or other entities to encourage the economic development of friendly nations (sec. 201, 72 Stat. 261). The fund is a source of financing for economic development which does not compete with either private investment capital or the activities of the Export-Import Bank of Washington and the International Bank for Reconstruction and Development.

Budget program.—Direct loan obligations amounted to $102,100,000 in 1958 and, in addition, other commitments were made in an amount of $165,536,000. All 1959 appropriated funds and 1958 unobligated balances will be used for loan approvals by January 31, 1959. The loan program for the balance of 1959 and for 1960 is set forth in a separate schedule for later transmission as proposed legislation.

A total of 6 loan agreements were signed in 1958 for development assistance with transportation, industry, agriculture and municipal water facilities in Ceylon, Honduras, India, Israel, and Pakistan. It is anticipated that about 70 loan agreements will be signed in 1959 from available funds. In addition to direct loan commitments, a program to guarantee the loans of United States investors in underdeveloped areas is being initiated.

Financing.—The program is financed from non-interest-bearing appropriations. Appropriations totaling $300 million were provided in 1958 and $400 million in 1959. Additional funds for 1959 and 1960 are shown under Proposed for later transmission. In addition, financing is provided by receipts from operations.

Repayment of loan principal and payment of interest may be made either in local currency or in dollars as specified in the loan agreement and these amounts will be available to the fund for further lending activity. Other available revenue is anticipated from fees received for issuance of loan guaranty.

Operating results.—Revenue of the fund will be in both dollars and local currencies. It is anticipated that the major portion will be in foreign currencies. Earnings will be retained to meet future requirements.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$1,500,000	$124,425,000	$157,637,500
Acquisition of equipment		28,800	3,200
Expense		1,208,700	9,300
Increase in selected working capital:			
Dollars		337,500	350,000
Foreign currencies (in dollar equivalents)		3,200,000	10,000,000
Total gross expenditures	1,500,000	129,200,000	168,000,000

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[MUTUAL SECURITY]—Continued

Public enterprise funds—Continued

DEVELOPMENT LOAN FUND—Continued

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Repayment of loans:			
Dollars			$500,000
Foreign currencies (in dollar equivalents)		$1,200,000	5,000,000
Revenue:			
Dollars		1,000,000	2,100,000
Foreign currencies (in dollar equivalents)		2,000,000	5,400,000
Total receipts from operations		4,200,000	13,000,000
Budget expenditures	$1,500,000	125,000,000	155,000,000

Revenue, Expense, and Retained Earnings

Revenue:			
Dollars		$1,000,000	$2,100,000
Foreign currencies (in dollar equivalents)		2,000,000	5,400,000
Total revenue		3,000,000	7,500,000
Expense		1,215,006	[1] 15,219
Net income for the year		1,784,994	7,484,781
Retained earnings, beginning of year			1,784,994
Retained earnings, end of year		1,784,994	9,269,775

[1] Excludes estimates for administrative expenses which will be considered with estimates to be submitted under proposed legislation.

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash:			
Cash with Treasury	$298,500,000	$573,500,000	$418,500,000
Foreign currencies (in dollar equivalents)		1,550,000	10,500,000
Loans receivable:			
Dollars		25,925,000	58,662,500
Foreign currencies (in dollar equivalents)	1,500,000	98,800,000	218,200,000
Accounts receivable:			
Dollars		450,000	700,000
Foreign currencies (in dollar equivalents)		1,650,000	2,700,000
Furniture and equipment, net	21,649	44,143	41,424
Total assets	300,021,649	701,919,143	709,303,924
Liabilities:			
Current		112,500	12,500
Government investment:			
Non-interest-bearing capital:			
Start of year		300,021,649	700,021,649
Appropriations during the year	300,000,000	400,000,000	
Capitalization of donated property	21,649		
End of year	300,021,649	700,021,649	700,021,649
Retained earnings		1,784,994	9,269,775
Total Government investment	300,021,649	701,806,643	709,291,424

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: cash:				
Cash with Treasury		$298,500,000	$573,500,000	$418,500,000
Obligated balance, net:				
Current liabilities			112,500	12,500
Undisbursed program obligations:				
Direct loan commitments		100,600,000	450,925,000	387,787,500
Guaranteed loan commitments			25,000,000	35,000,000
Unpaid undelivered orders			12,500	
Accounts receivable (−):				
Dollars			−450,000	−700,000
Foreign currencies (in dollar equivalents)			−1,650,000	−2,700,000
Foreign currencies (in dollar equivalents)			−1,550,000	−10,500,000
Total obligated balance		100,600,000	472,400,000	408,900,000

Status of Certain Fund Balances—Continued

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unobligated balance is distributed as follows:				
Dollars		$197,900,000	$97,900,000	
Foreign currencies (in dollar equivalents)			3,200,000	$9,600,000

[LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND]

[Not to exceed $1,250,000 of the funds of the Development Loan Fund shall be available during the fiscal year 1959 for administrative expenses of the Fund covering the categories set forth in the fiscal year 1959 budget estimates for such expenses.] (*Mutual Security Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total obligations)	$142,644	$1,250,000	
Financing:			
Comparative transfers (−) from other accounts	−142,644		
Limitation		1,250,000	

Object Classification

Total number of permanent positions			33	69	
Full time equivalent of all other positions			1	1	
Average number of all employees			10	55	
Number of employees at end of year			32	62	
Average GS grade and salary	9.0	$6,951	9.9	$8,213	
01 Personal services:					
Permanent positions			$83,373	$481,020	
Positions other than permanent			4,544	32,660	
Other personal services			1,599	78,965	
Excess of annual leave earned over leave taken				24,650	
Total personal services			89,516	617,295	
02 Travel			9,871	105,000	
03 Transportation of things				2,700	
04 Communication services			3,300	17,000	
05 Rents and utility services			7,100	70,000	
06 Printing and reproduction			1,500	23,000	
07 Other contractual services			2,000	32,600	
Services performed by other agencies			4,400	305,430	
08 Supplies and materials			2,000	5,800	
09 Equipment			18,000	32,000	
11 Grants, subsidies, and contributions			4,957	38,440	
15 Taxes and assessments				735	
Total obligations			142,644	1,250,000	

FOREIGN INVESTMENT GUARANTY FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Guaranties issued against the risk of inconvertibility	$32,649,682	$80,000,000	$95,000,000
2. Guaranties issued against the risk of loss by expropriation	26,948,726	127,000,000	103,000,000
3. Guaranties issued against the risk of loss by war			2,000,000
Total guaranties issued	59,598,408	207,000,000	200,000,000
Less amount not obligated under fractional reserve basis	43,530,679	151,192,800	146,080,000
Total obligations	16,067,729	55,807,200	53,920,000
Financing:			
Amounts becoming available:			
Fees collected	654,751	1,400,000	2,200,000
Recovery of prior year obligations	17,754,681	9,426,400	10,774,400
Total amounts becoming available	18,409,432	10,826,400	12,974,400
Unobligated balance brought forward (authorization to expend from public debt receipts)	105,176,924	107,518,627	62,537,827
Total amounts available	123,586,356	118,345,027	75,512,227
Unobligated balance carried forward (authorization to expend from public debt receipts)	−107,518,627	−62,537,827	−21,592,227
Financing applied to program	16,067,729	55,807,200	53,920,000

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In order to encourage and facilitate private American 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 all or part of an investment resulting from expropriation or confiscation, and (3) loss from war damage. Additional guaranty authority of $500 million is proposed for 1960. The guaranties, which may have a maximum term of 20 years, are available in any country with which the United States has agreed to institute the guaranty program. Thirty-eight countries and most of their overseas dependencies now participate. War damage coverage authorized in 1956 is now available for new investments in seven 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.—Obligations of the program after June 30, 1956, are based on a fractional reserve, which is 26.96% of total guaranties issued since that date. Guaranties issued prior to June 30, 1956, were issued with 100% backing. Guaranties to be issued during 1960 are estimated at $200 million. Under the fractional reserve basis, $54 million will be obligated in 1960 to support the guaranties issued in that year. No payment of claims has been made under this program and there are no claims pending.

Financing.—Congress has provided $199,071,521 in borrowing authority from Treasury to finance this program. Fees collected from guaranty holders are also available to meet claims arising from contracts. Funds received from sale of assets or currency acquired when contracts are invoked may also be used to meet claims.

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. Fees collected through June 30, 1958, are $2.7 million and are carried forward as retained earnings.

POSITION WITH RESPECT TO GUARANTY AUTHORITY

	1958 actual	*1959 estimate*	*1960 estimate*
Authorized guaranty authority	$500,000,000	$500,000,000	$500,000,000
Proposed increase in guaranty authority	----------	----------	500,000,000
Recovery of prior year guaranties (cumulative)	24,222,884	40,222,884	61,222,884
Gross guaranty authority	524,222,884	540,222,884	1,061,222,884
Guaranties issued (cumulative):			
Guaranties issued against the risk of inconvertibility	112,223,314	192,223,314	287,223,314
Guaranties issued against the risk of loss by expropriation	68,783,068	195,783,068	298,783,068
Guaranties issued against the risk of loss by war	----------	----------	2,000,000
Total guaranties outstanding	181,006,382	388,006,382	588,006,382
Unused guaranty authority	343,216,502	152,216,502	473,216,502

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Revenue	$654,751	$1,400,000	$2,200,000
Budget expenditures	−654,751	−1,400,000	−2,200,000

Revenue, Expense, and Retained Earnings

Guaranties issued against the risk of inconvertibility: Revenue	$343,604	$607,410	$1,024,700
Guaranties issued against the risk of loss by expropriation: Revenue	311,147	792,590	1,165,300
Guaranties issued against the risk of loss by war: Revenue	----------	----------	10,000
Net income for the year	654,751	1,400,000	2,200,000

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Retained earnings, beginning of year	$2,028,054	$2,682,805	$4,082,805
Retained earnings, end of year	2,682,805	4,082,805	6,282,805

Financial Condition

Assets:			
Cash with Treasury	$2,682,805	$4,082,805	$6,282,805
Government investment:			
Retained earnings	2,682,805	4,082,805	6,282,805

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$2,028,054	$2,682,805	$4,082,805	$6,282,805
Budget authorizations	199,071,521	199,071,521	199,071,521	199,071,521
Total unexpended balance	201,099,575	201,754,326	203,154,326	205,354,326
Obligated balance, net: Undisbursed guaranteed obligations	95,922,651	94,235,699	140,616,499	183,762,099
Unobligated balance	105,176,924	107,518,627	62,537,827	21,592,227

NOTE.—Guaranties outstanding net of those expired and revoked are as follows: June 30, 1957, $117,787,372; 1958, $156,783,497; 1959, $348,000,000; and 1960, $527,000,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
16 Investments and loans	$16,067,729	$55,807,200	$53,920,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, MILITARY ASSISTANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration	$386	----------	----------
2. Other activities	2,311,678	----------	----------
Total obligations	2,312,064	----------	----------
Financing:			
Advances and reimbursements from other accounts	2,312,064	----------	----------

Object Classification

07 Other contractual services	$766,596	----------	----------
08 Supplies and materials	1,545,468	----------	----------
Total obligations	2,312,064	----------	----------

ADVANCES AND REIMBURSEMENTS, ECONOMIC ASSISTANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Defense support	$360,255	$420,000	----------
2. Technical cooperation	907,255	800,000	----------
3. Special assistance	2,243,349	200,000	----------
4. Administrative expenses	595,419	730,000	----------
Total obligations	4,111,278	2,150,000	----------
Financing:			
Advances and reimbursements from—			
Other accounts	3,916,357	2,042,500	----------
Non-Federal sources (40 U. S. C. 481 (c))	194,921	107,500	----------
Total financing	4,111,278	2,150,000	----------

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[MUTUAL SECURITY]—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS, ECONOMIC ASSISTANCE—Con.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	18	42	
Average number of all employees	15	34	
Number of employees at end of year	10	29	
Average GS grade and salary	12.0 $9,470	9.0 $6,851	
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1158):			
Foreign Service reserve	3.8 $10,050	3.2 $12,136	
Foreign Service staff	7.1 $6,824	7.0 $8,815	
01 Personal services:			
Permanent positions	$120,865	$260,928	
Other personal services	47,615	3,715	
Total personal services	168,480	264,643	
02 Travel	31,474	30,000	
03 Transportation of things	10,310	10,000	
04 Communication services		10,700	
05 Rents and utility services		16,900	
06 Printing and reproduction	21,577	26,900	
07 Other contractual services	1,459,553	1,450,000	
Services performed by other agencies	2,239,394	170,357	
09 Equipment	173,456	151,800	
11 Grants, subsidies, and contributions	7,024	18,300	
13 Refunds, awards, and indemnities	10	100	
15 Taxes and assessments		100	
Unvouchered		200	
Total obligations	4,111,278	2,150,000	

Proposed for later transmission:

MILITARY ASSISTANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Military assistance (total obligations)			$665,000,000
Financing:			
Unobligated balance transferred from "Military assistance" (see above)			−25,000,000
Balance carried forward:			
Unobligated and unreserved			25,000,000
Reserved (69 Stat. 438)			935,000,000
Proposed supplemental appropriation			1,600,000,000

Under existing and proposed legislation, 1960.—Appropriations to $1,600 million are anticipated in 1960 to finance military assistance programs already authorized under legislation to be proposed.

ECONOMIC ASSISTANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Economic assistance (total obligations)			$1,630,000,000
Financing:			
Proposed supplemental appropriation			1,630,000,000

Under existing and proposed legislation, 1960.—Appropriations of $1,630 million are anticipated in 1960 to finance economic assistance programs already authorized or under legislation to be proposed.

DEVELOPMENT LOAN FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Direct loan commitments			$215,300,000
2. Guaranteed loan commitments			10,000,000
Total program (obligations)			225,300,000
Financing:			
Amounts becoming available:			
Proposed supplemental appropriation		$225,000,000	
Interest earned:			
Dollars			100,000
Foreign currencies (in dollar equivalents)			400,000
Fees for guaranties issued			200,000
Total amounts becoming available		225,000,000	700,000
Unobligated balance brought forward			225,000,000
Total amounts available		225,000,000	225,700,000
Unobligated balance carried forward:			
Dollars		−225,000,000	
Foreign currencies (in dollar equivalents)			−400,000
Financing applied to program			225,300,000

Under existing legislation, 1959.—It is anticipated that a supplemental appropriation of $225 million will be sought under existing authorization for the development loan fund. As the fund, under current plans, will have committed or earmarked virtually all of its present capital by January 31, availability of supplemental funds in 1959 will permit the lending program to proceed without delay.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Direct loan commitments 2. Guaranteed loan commitments 3. Administration			$378,100,000
Total program (obligations)			378,100,000
Financing:			
Amounts becoming available:			
Proposed supplemental appropriation			700,000,000
Interest earned:			
Dollars			400,000
Foreign currencies (in dollar equivalents)			1,800,000
Fees for guaranties issued			600,000
Total amounts becoming available			702,800,000
Unobligated balance carried forward:			
Dollars			−322,900,000
Foreign currencies (in dollar equivalents)			−1,800,000
Financing applied to program			378,100,000

Under proposed legislation, 1960.—It is anticipated that a 1960 authorization and appropriation of $700 million will be sought to provide for activities of the development loan fund in 1960, including a limitation on funds of the development loan fund which can be used in 1960 for administrative expenses.

[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 Com-

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mittees on Appropriations of the Senate and House of Representatives at least twice annually.]

[SEC. 104. Except for the appropriations entitled "President's special authority and contingency fund" 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.]

[SEC. 105. 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.]

[SEC. 106. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1958, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1958, 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. 107. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this Act or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.]

[SEC. 108. Not to exceed 50 per centum of the foreign currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section: *Provided*, That quarterly reports of the use of foreign currencies pursuant to this section shall be submitted to the Committees on Appropriations of the Senate and House of Representatives.] (*Mutual Security Appropriation Act, 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", [$6,410,500] *$7,100,000*, to remain available until expended: *Provided*, That not to exceed a total of [$25,000] *$49,800* may be expended for representation. (*70 Stat. 778; Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$6,410,500** Estimate 1960, [a] **$7,100,000**

[a] Excludes $600,000 for activities transferred in the estimates to "Salaries and expenses," Bureau of Foreign Commerce, Department of Commerce. The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Trade fairs and exhibitions	$3,417,049	$4,219,698	$4,603,000
2. Artistic and athletic presentations	3,087,159	2,638,000	2,925,000
3. Universal and international exhibition of Brussels	8,977,743	1,478,166	
Total obligations	15,481,951	8,335,864	7,528,000
Financing:			
Comparative transfers to other accounts	466,075	581,862	
Unobligated balance brought forward	−3,009,008	−2,370,379	−318,000
Recovery of prior year obligations	−141,236	−454,847	−110,000
Unobligated balance carried forward	2,370,379	318,000	
Appropriation (new obligational authority)	15,168,161	6,410,500	7,100,000

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 this world.

The Director of the United States Information Agency serves as coordinator of the following activities. That Agency publicizes the projects abroad and absorbs the cost of such publicity and coordination.

1. *Trade fairs and exhibitions.*—The Department of Commerce administers this program, which finances United States exhibits and labor missions at important international trade fairs and similar exhibitions overseas. Authorizations for 1958 and 1959 provided for completion of United States participation in 13 and 14 trade fairs and exhibitions, respectively. Funds requested for 1960 will provide for completion of exhibits in 14 trade fairs and exhibitions in 1960, plus necessary advance planning costs for 8 exhibits at trade fairs occurring early in 1961.

2. *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 itineraries to places where commercial revenues are inadequate to cover operating expenses. Approved projects, with itineraries reaching all areas of the world, numbered 31 for 1958, and are estimated at 27 during 1959, and 35 during 1960.

3. *Universal and international exhibition of Brussels.*—No estimate is included for this activity inasmuch as the fair ended in October 1958.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	ALLOCATION ACCOUNTS			
	Total number of permanent positions	196	176	116
	Full-time equivalent of all other positions	97	126	5
	Average number of all employees	274	271	121
	Number of employees at end of year	505	119	119
	Average GS grade and salary	9.5 $7,116	9.2 $7,492	9.2 $7,615
	Average grade and salary:			
	Grades established by the Secretary of State, equivalent to GS grades	5.3 $4,378	7.0 $5,481	
	Grades established by the Foreign Service Act of 1946 (22 U. S. C. 801-1158):			
	Foreign Service officer	3.7 $10,828	3.0 $12,827	4.0 $11,565
	Foreign Service reserve officers	3.4 $11,023	3.4 $11,975	3.0 $12,667
	Foreign Service staff officers	10.3 $5,099	10.4 $5,528	
01	Personal services:			
	Permanent positions	$1,371,407	$1,177,604	$892,245
	Positions other than permanent	262,287	314,597	34,480
	Other personal services	146,547	210,763	32,423
	Total personal services	1,780,241	1,702,964	959,148
02	Travel	502,080	529,145	470,200
03	Transportation of things	627,471	728,767	668,800
04	Communication services	89,466	107,983	61,000
05	Rents and utility services	391,384	243,300	226,500
06	Printing and reproduction	84,564	62,616	30,100
07	Other contractual services	7,963,796	1,846,589	2,113,038
	Services performed by other agencies	374,144	24,184	
08	Supplies and materials	304,341	230,185	207,300
09	Equipment	71,831	263,474	50,500
11	Grants, subsidies, and contributions	2,967,355	2,488,765	2,739,914
13	Refunds, awards, and indemnities	355		
15	Taxes and assessments	324,923	107,892	1,500
	Total obligations	15,481,951	8,335,864	7,528,000
	Obligations are distributed as follows:			
	Department of Commerce	$3,397,726	$4,171,116	$4,558,000
	Department of State	12,064,902	4,116,166	2,925,000
	Department of Labor	19,323	48,582	45,000

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PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Trade fairs and exhibitions	$400		
2. Participation in Brussels Exhibition	407,769	$164,475	
Total obligations	408,169	164,475	
Financing:			
Advances and reimbursements from other accounts	408,169	164,475	

Object Classification

01	Personal services: Other personal services (living and quarters allowance)	$35,544	$53,796	
02	Travel	25,225	24,825	
05	Rents and utility services	23,689	35,854	
06	Printing and reproduction	62,500		
07	Other contractual services	261,211	50,000	
	Total obligations	408,169	164,475	

SPECIAL FOREIGN CURRENCY PROGRAMS

Current authorizations:

[TRANSLATION OF PUBLICATIONS AND SCIENTIFIC COOPERATION]

[For purchase of foreign currencies, pursuant to section 104 (k) of the Agricultural Trade Development and Assistance Act of 1954, as amended, for disseminating scientific and technological information and supporting scientific activities overseas, $5,100,000, to remain available until expended.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$5,100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Translation of scientific literature		$1,200,000	
2. Agricultural research		3,900,000	
Total obligations		5,100,000	
Financing:			
Appropriation (new obligational authority)		5,100,000	

Funds are provided under this appropriation to purchase foreign currencies accruing from the sale of surplus agricultural commodities abroad for the support of scientific activities authorized by section 104 (k) of the Agricultural Trade Development and Assistance Act of 1954, as amended. The translation program will be primarily devoted to the translation of Russian scientific literature by translators located in foreign countries. The agricultural research will be performed in foreign countries by specialists and institutions considered competent to carry on research of interest to the United States but which can best be undertaken outside the borders of this country. It is anticipated that continuation of this program in 1960 will be recommended at a later date.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	ALLOCATION TO NATIONAL SCIENCE FOUNDATION			
01	Personal services: Positions other than permanent (local employees)		$300,000	
02	Travel		75,000	
07	Other contractual services		4,700,000	
08	Supplies and materials		25,000	
	Total obligations		5,100,000	

TRANSITIONAL GRANTS TO ALASKA

Proposed for later transmission:

TRANSITIONAL GRANTS TO ALASKA

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants to Alaska (total obligations)			$10,500,000
Financing:			
Proposed supplemental appropriation			10,500,000

Under proposed legislation, 1960.—Legislation will be proposed to authorize grants to the State of Alaska (1) to assist in financing, for a transitional period, functions transferred to the State from the Federal Government, and (2) to finance continued Federal operations for an interim period when the State requests a delay in the transfer of functions. Federal grants authorized for mental and general health, maintenance of highways, and operation of airports will be financed under this authorization as well as other transitional expenses. The budgets for agencies which heretofore financed these functions have been reduced accordingly. A supplemental appropriation of $10,500,000 is anticipated for 1960 to finance this authorization.

MISCELLANEOUS

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency realized under the Agricultural Trade Development and Assistance Act, as amended (7 U. S. C. 1704)

Amounts Available for Authorization

	1958 actual	1959 estimate	1960 estimate
Balance brought forward:			
Reserved for country uses	$1,000,810,186	$721,105,768	$632,947,473
Unreserved	558,469,994		
Recoveries from prior allocations	5,120,856	188,200	
Sales agreements entered into	749,765,000	576,400,000	
Subtotal	2,314,166,036	1,297,693,968	632,947,473
Sales by Treasury to appropriations and funds	69,633,255	63,800,000	85,000,000
Authorized for use by agencies with long-term reimbursement to Commodity Credit Corporation: Department of Defense	24,679,268	27,096,373	19,060,000
Total to be realized in dollars	94,312,523	90,896,373	104,060,000
Adjustment to market rate of currencies allocated for United States uses	34,259,410	20,000,000	20,000,000
Other adjustments due to differences in exchange rates	71,323,725		

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Amounts Available for Authorization—Continued

	1958 actual	1959 estimate	1960 estimate
Authorizations for use by agencies without reimbursement to Commodity Credit Corporation:			
Mutual security program:			
From sales agreements signed in 1957 and prior years	$929,486,461		
From current sales agreements	361,276,262	$393,370,000	
United States Information Agency	1,172,168	4,709,374	$4,840,266
Department of Agriculture:			
Agricultural Research Service	400,000	6,600,000	10,000,000
Foreign Agricultural Service	7,176,463	4,292,530	5,481,322
Department of Defense: Operation and maintenance	2,232,315	44,000	
Department of State:			
Educational exchange	7,550,987	10,446,328	
Counterpart fund, sec. 708 (c), Public Law 118, July 16, 1953	57,144		
Export-Import Bank of Washington	83,812,810	134,387,890	130,882,720
Total adjustments and authorizations for free use	1,498,747,745	573,850,122	171,204,308
Balance carried forward	721,105,768	632,947,473	357,683,165

Title I of the Agricultural Trade Development and Assistance Act of 1954 authorizes the sale of up to $6.25 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, (*j*) to aid American-sponsored schools, libraries, and binational centers overseas, (*k*) to finance the translation of scientific and technical publications and support scientific activities overseas, (*l*) to acquire buildings and grounds abroad, (*m*) to finance participation in trade fairs and related activities, (*n*) to acquire books from abroad, and (*o*) to aid American educational institutions abroad and support workshops and chairs in American studies.

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, 1959, it is estimated agreements will have been signed calling for deposits of sales proceeds totaling $3.8 billion. This will represent the market value of commodities and ocean transportation in which the Commodity Credit Corporation investment will be approximately $5.5 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 for the calendar year 1960, nor for agreements under existing authority signed or approved for negotiation after October 15, 1958. Subsidiary schedules on currency uses are presented in the chapters of the Departments of State, Defense, and Agriculture, the General Services Administration, the Export-Import Bank, the United States Information Agency, and under Mutual security and Special foreign currency programs in this chapter.

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INDEPENDENT OFFICES

The total recommended new obligational authority for the 50 independent agencies and 11 historical and memorial commissions for 1960 is $9,821 million, an increase of $3 million from the estimated 1959 total.

Expenditures of independent agencies in 1960 are estimated to be $9,443 million. This amount is a decrease of $13 million from 1959.

Development and control of atomic energy.—New obligational authority recommended for the Atomic Energy Commission for 1960 is $2,772 million, an increase of $48 million over the amount provided for 1959. Expenditures are estimated to rise from $2,630 million in 1959 to $2,745 in 1960.

New obligational authority of $2,544 million for operating expenses will result in expenditures in 1960 of $2,455 million, an increase of $75 millon over estimated 1959 expenditures for these purposes. The increase in expenditures for procurement of uranium concentrates in 1960 reflects increased deliveries under prior contracts. Production of special nuclear materials and advanced weapons will continue at the high levels attained in recent years. On the assumption that the Soviet Union will agree to the United States proposal to suspend nuclear weapons tests, no funds are provided for weapons testing in 1960, and weapons testing sites will be maintained on a standby basis. The efforts to develop reactors for civilian atomic power and for military applications will be continued or expanded, with emphasis on the most promising civilian reactor types and on the improvement of reactor fuel elements. A new cooperative program of research and development with the European Atomic Energy Community (Euratom) initiated in 1959 will be accelerated in 1960. Research in the physical and life sciences will be substantially augmented in 1960 to maintain a strong foundation of basic knowledge essential to a sound continuing atomic energy program.

New obligational authority of $228 million, together with available balances from appropriations provided in previous years, will result in construction expenditures of $290 million in 1960, $40 million more than in 1959. Out of the $228 million new obligational authority, $126 million will be for new projects requiring legislative authorization this session and are shown in this document under Proposed for later transmission. The budget provides for improvements and additions to production facilities for fissionable materials and weapons. Major modifications to existing civilian power reactor experiments, construction of experimental power and propulsion reactors for civilian and military purposes, and construction of reactor development supporting facilities will proceed in 1960. Funds are provided to construct facilities to support research in the physical and life sciences, including completion of the world's highest energy particle accelerator at Brookhaven National Laboratory.

International economic and technical developments.—The Export-Import Bank of Washington anticipates that its commitments for development and other loans in 1960 will remain high but that an increased share of them will be on a guaranteed basis rather than disbursed from Export-Import funds.

Gross budget expenditures of the Bank in 1960 for disbursements on loans, operating expenses, and interest on money borrowed from the Treasury are estimated to be $854 million. The sum of receipts from collections of interest and principal and from sale of loans is estimated to cover gross expenditures. The reduction in net expenditures from the $250 million estimated for 1959 is due primarily to larger scheduled repayments and the anticipation of increased sale of loans.

Foreign information and exchange activities.—In 1960, the United States Information Agency will expand its operations in Africa and Latin America, and strengthen its worldwide television, motion picture, and information center activities. Long-range efforts to improve the image of America abroad will be intensified by increasing the cultural content of our information programs. The Agency will also continue the major rebuilding and expansion of Voice of America radio facilities begun in 1959, in an effort to improve the reception of the Voice's programs abroad. The Government expects to continue at about current levels its guaranties against loss from exchange inconvertibility to exporters of informational media; these guaranties facilitate the export of American publications and motion pictures. Recommended new obligational authority for the Agency in 1960 is $126.7 million, $7.6 million more than the 1959 estimate.

Veterans' services and benefits (summary).—New obligational authority recommended for the Veterans Administration for 1960 totals $5,185 million, $37 million less than for 1959. Of this total 75.1% is for cash payments to veterans for compensation, pensions, and readjustment benefits; 17.7% for hospital and medical services; and 7.2% for administration, insurance, direct loans, and miscellaneous programs.

Veterans' education, training, and other readjustment benefits.—Expenditures for education and training in 1960 are estimated to be $129 million below the amount in 1959. The 1960 total includes $478 million for an average enrollment of 360,200 Korean conflict veterans, $12 million for 9,000 war orphans, and a smaller amount for World War II veterans.

Special assistance to disabled veterans in 1960 will cost $10 million, chiefly for vocational rehabilitation of 10,600 veterans. Payment of claims and acquisition of properties on which loans have been defaulted is estimated at $97 million, an increase of $4 million over 1959; these expenditures, recoverable from sale of the properties, are small compared to the $17 billion of guaranties outstanding.

Veterans' compensation and pensions.—The 1960 budget provides for compensation payments of $2 billion for service-connected disability and death in an estimated average of 2,411,000 cases. The number of these cases continues to decline slowly and total payments, which have increased in recent years because higher rates were enacted, are expected to decrease $22 million from 1959 to 1960.

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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 is expected to be 1,410,000 in 1960, compared with 1,332,000 in 1959. Estimated payments of $1.2 billion in 1960 are $68 million more than in 1959.

The total amount of other benefits paid from the appropriation for compensation and pensions is expected to increase by $12 million in 1959 and $4 million in 1960. The increase results primarily from new legislation raising the maximum rate for initial burial allowances from $150 to $250.

A supplemental appropriation of $52.5 million is anticipated for 1959 to cover the presently estimated requirements for compensation, pensions, and related benefits which are in excess of the amounts already appropriated.

Veterans' hospitals and medical care.—The new obligational authority of $787 million proposed for 1960 anticipates that inpatient care in Veterans Administration hospitals will be provided for a daily average of 111,296 patients, approximately two-thirds of whom will be receiving care for conditions not related to their military service. In addition to its hospitals, the Veterans Administration operates domiciliary homes which will have an estimated 16,812 members in 1960. It will also pay for hospital care for an average of 3,138 patients per day in other hospitals and for approximately one-half the cost of care for 9,600 veterans in State soldiers' homes.

The budget also provides $84 million in new obligational authority for 1960 for the operation of outpatient clinics and for fees to doctors and dentists in cases where clinics are not available. The dental outpatient program continues to decline but a slight increase in the medical program is estimated for 1960 as more discharged mental patients are being treated on an outpatient basis.

New obligational authority of $20 million is recommended for construction, modernization, and repair of facilities in 1960. Total obligations, however, will be considerably higher because balances of appropriations enacted for from prior years are still available and will be used.

Insurance and other veterans' services and administration.—Payment of insurance claims resulting from extra hazardous 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 $54 million in 1960. Other insurance operations for policies issued since 1951 are reflected in the transactions of revolving funds for which $6 million net receipts are estimated.

Expenditures for general operating expenses of the Veterans Administration are $3 million below 1959, reflecting some reduction in workloads and some improvement in methods.

Promotion of science, research, libraries, and museums.—For support of basic research, science education, and related programs, $160 million in new obligational authority is recommended for the National Science Foundation, an increase of $22 million over 1959. Most of this increase is for the support of basic research projects in universities. The Foundation will continue to provide a high level of support for research facilities and for education in the sciences, including fellowships for graduate training. Institutes for the supplementary training of science and mathematics teachers, the development of new curricula in the sciences and mathematics, and other activities to improve science education and to interest young people in scientific careers are being supported at the same level.

Conservation and development of land and water resources.—The St. Lawrence Seaway Development Corporation will enter the operation and maintenance phase of its program when the seaway opens for full 27-foot-draft traffic in the spring of 1959. Tolls will be initiated at that time to cover operating costs and to repay the United States investment over a 50-year period. The decline in net expenditures from $17 million in 1959 to $4 million in 1960 reflects the virtual completion of construction of the navigation facilities.

Legislation is again proposed to permit the Tennessee Valley Authority to finance construction of additional power facilities with revenue from the sale of its bonds. The budget includes a supplemental authorization of $200 million in 1959 under this proposed legislation. Increases in operating costs and in revenues are estimated in 1960, reflecting the production and sale of additional power. Expenditures for capital outlays will decrease because construction is nearing completion on the new lock at Wilson Dam and on certain power facilities.

The budget also provides increased funds for 1960 for the Federal Power Commission in recognition of the increased workloads connected with licensing non-Federal power projects and for gas regulatory activities. In keeping with the administration's policy to increase the charges for certain special services, legislation will be proposed to collect fees from the natural gas and electric power industries to reimburse the Government for the cost of administering the Natural Gas Act and for a portion of similar costs related to the Federal Power Act.

Promotion of aviation and space flight.—The newly formed Federal Aviation Agency includes all of the former Civil Aeronautics Administration, the Airways Modernization Board, and that part of the Civil Aeronautics Board concerned with the promulgation of safety regulations. Ultimately, control of all airway traffic, both civil and military, is to be the responsibility of this agency.

New obligational authority of $602 million for the Federal Aviation Agency for 1960 compares with $566 million for these same functions in 1959. The largest single part of this amount is the cost of equipping and operating the air traffic control system, which is estimated to increase from $384 million in 1959 to $436 million in 1960. Legislation to increase aviation fuel taxes is being recommended to the Congress so that the users of the Federal airways will bear a greater share of the increasing cost of installing and maintaining them.

New grant authorizations under the existing Federal Airport Act are provided only through 1959. New legislation is proposed to continue the program on a basis which would permit the Federal Government to withdraw from it over the next 4 years, since the program is essentially local in its benefits. The 1960 authorization under this proposal would be $65 million. Legislation is also proposed to incorporate Washington National Airport and to turn over certain Alaskan airports to the new State.

The new National Aeronautics and Space Administration, established during the past year, is responsible for nonmilitary space programs. It has taken over the aeronautical and space research programs formerly conducted by the National Advisory Committee for Aeronautics and certain space programs previously undertaken by the Department of Defense. New obligational au-

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thority of $485 million is recommended for 1960 and a supplemental appropriation of $45 million is anticipated for 1959 to permit a greater research and development effort on advanced space technology, including manned space flight, and applications of space vehicles in the fields of meteorology and communications. The Administration will also perform research in support of military aircraft, missile, and spacecraft programs.

Expenditures for air carrier subsidies are expected to increase from $58 million in 1959 to $63 million in 1960. The increased payments are for local service carriers. Domestic trunklines are not expected to require subsidies in 1960.

Other aids to business.—New obligational authority of $205.6 million is recommended for the Small Business Administration to carry on (1) its regular business and disaster loan program, (2) the new program of loans to investment and development companies, (3) the various procurement, technical, and managerial aids provided for small business, and the new program of grants for research on small-business problems. Legislation is being recommended to increase the present limitations in the Small Business Act on appropriations and on outstanding business loans.

The volume of new business loans is expected to increase in 1959 and 1960 over the 1958 level. New obligational authority and net expenditures of this program, however, will decline because repayments of outstanding loans are accelerating, thus making more capital available for relending. The loans to investment and development companies will increase substantially in 1960, the first full year of operation of the new program.

Regulation of commerce and finance.—The budget provides increased funds for 1960 for the Interstate Commerce Commission, Federal Communications Commission, Securities and Exchange Commission, Federal Trade Commission, and Civil Aeronautics Board. The workload of these agencies generally increases with the growth of the economy and the regulated industries. It is recommended that fees charged by the Securities and Exchange Commission be increased, in accordance with the President's general policy to charge for special services.

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

By function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Major national security:						
066 Development and control of atomic energy	$2,361,912	$2,723,275	$2,771,500	$2,268,014	$2,630,000	$2,745,000
International affairs and finance:						
151 Conduct of foreign affairs	1,768	1,967	2,035	1,712	2,020	2,032
152 Economic and technical development	2,000,000			339,826	242,636	−6,089
153 Foreign information and exchange activities	97,617	119,147	126,700	108,664	107,264	114,069
Total, international affairs and finance	2,099,385	121,114	128,735	450,202	351,920	110,012
Veterans' services and benefits:						
101 Veterans' education and training	721,638	595,827	481,073	698,832	619,316	490,073
102 Other veterans' readjustment benefits	92,409	105,473	106,927	92,424	105,382	107,368
103 Veterans' compensation and pensions	3,082,250	3,252,500	3,307,000	3,104,494	3,256,818	3,307,000
104 Veterans' insurance and servicemen's indemnities	46,203	51,760	53,655	43,095	43,510	48,513
105 Veterans' hospitals and medical care	878,338	897,807	915,809	855,915	930,083	945,777
106 Other veterans' services and administration	167,371	169,431	171,971	147,576	191,168	172,441
Total, veterans' services and benefits	4,988,209	5,072,798	5,036,435	4,942,336	5,146,277	5,071,172
Labor and welfare:						
211 Labor and manpower	42,258	48,555	50,256	40,884	48,609	48,387
213 Promotion of public health	5	5	5	5	5	5
214 Promotion of education	20,398	66,173	66,599	14,872	51,118	59,512
215 Promotion of science, research, libraries, and museums	39,930	81,848	103,253	41,893	73,621	104,195
Total, labor and welfare	102,591	196,581	220,113	97,654	173,353	212,099
Agriculture and agricultural resources:						
352 Financing farm ownership and operation	1,922	2,125	2,125	−3,452	3,772	1,609
355 Research, and other agricultural services				9		
Total, agriculture and agricultural resources	1,922	2,125	2,125	−3,443	3,772	1,609
Natural resources:						
401 Conservation and development of land and water resources	54,200	224,371	24,364	91,661	72,729	38,542
405 Recreational use of natural resources	17	420	1,100	17	371	1,000
Total, natural resources	54,217	224,791	25,464	91,678	73,100	39,542
Commerce and housing:						
513 Promotion of aviation and space flight	560,140	975,251	1,150,318	403,796	677,797	902,618
516 Public housing programs	38	38	45	38	38	45
517 Other aids to housing	49,571	150,000	150,000	120,591	101,419	52,705
518 Other aids to business	114,382	224,572	200,600	70,910	157,112	163,628
519 Regulation of commerce and finance	44,978	49,360	53,900	42,696	50,743	53,195
521 Disaster insurance, loans, and relief	8,000	7,000	5,000	7,839	8,337	4,625
Total, commerce and housing	777,109	1,406,221	1,559,863	645,870	995,456	1,176,816
General government:						
602 Judicial functions	178	178	180	162	177	179
603 Executive direction and management				2		
604 Federal financial management	41,526	44,691	46,404	39,621	45,373	46,151
605 General property and records management				3,622	8,010	14,000
606 Central personnel management and employment costs	21,431	22,641	22,615	21,116	23,586	22,323
607 Civilian weather services	100			187	13	
608 Protective services and alien control	1,021	1,658	1,600	917	1,571	1,653
609 Territories and possessions, and the District of Columbia	1,735	245	4,864	1,230	2,599	2,000
610 Other general government	791	1,219	665	759	1,235	868
Total, general government	66,782	70,632	76,328	67,616	82,564	87,174
Total, independent offices	10,452,129	9,817,537	9,820,563	8,559,930	9,456,441	9,443,424

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
ADVISORY COMMITTEE ON WEATHER CONTROL												
Current authorizations:												
Salaries and expenses	607	$100				$187	$13		$13			
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION												
Current authorizations:												
Salaries and expenses	518	60	$40			36	46		46	$10		$10
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	518			$200				$70	70		$90	90
Total, Alaska International Rail and Highway Commission		60	40	200		36	46	70	116	10	90	100
AMERICAN BATTLE MONUMENTS COMMISSION												
Current authorizations:												
Salaries and expenses	106	1,250	1,250	25	$1,295	1,184	1,226	24	1,250	1,299	1	1,300
Construction of memorials and cemeteries	106	1,250				2,328	2,500		2,500	2,000		2,000
Total, American Battle Monuments Commission		2,500	1,250	25	1,295	3,512	3,726	24	3,750	3,299	1	3,300
ATOMIC ENERGY COMMISSION												
Current authorizations:												
Operating expenses	066	2,215,470	2,395,406		2,502,000	2,055,440	2,380,000		2,380,000	2,447,000		2,447,000
Reappropriation	066	38,280	77,940		18,000							
Plant acquisition and construction	066	108,162	249,929		102,000	212,520	250,000		250,000	270,000		270,000
Public enterprise funds:												
Defense production guaranties	518					−95	−64		−64	−25		−25
Intragovernmental funds:												
Advances and reimbursements	066					54						
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation:												
Operating expenses	066				23,500						8,000	8,000
Plant acquisition and construction	066				126,000						20,000	20,000
Total, Atomic Energy Commission		2,361,912	2,723,275		2,771,500	2,267,919	2,629,936		2,629,936	2,716,975	28,000	2,744,975
CENTRAL INTELLIGENCE AGENCY												
Current authorizations:												
Construction	605					3,622	8,010		8,010	14,000		14,000
CIVIL AERONAUTICS BOARD												
Current authorizations:												
Salaries and expenses	519	5,711	5,948	516	7,500	5,359	6,108	480	6,588	7,264	36	7,300
Payments to air carriers	513	37,228	40,750		62,618	38,070	40,350		40,350	62,618		62,618
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Payments to air carriers[1]	513			18,085				18,085	18,085			
Total, Civil Aeronautics Board		42,939	46,698	18,601	70,118	43,428	46,458	18,565	65,023	69,882	36	69,918

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
CIVIL SERVICE COMMISSION												
Current authorizations:												
Salaries and expenses	606	$19,040	$18,200	$1,626	$20,165	$18,291	$19,005	$1,541	$20,546	$19,897	$85	$19,982
Investgations of United States citizens for employment by international organizations	608	493	350	5	412	489	386	5	391	394		394
Annuities under special acts	606	2,391	2,300		2,450	2,466	2,509		2,509	2,256		2,256
Limitation on administrative expenses, employees' life insurance fund (trust fund)		(124)	(124)		(70)							
Intragovernmental funds:												
Investigations	606					359	260		260	−159		−159
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Salaries and expenses	606			245				207	207		38	38
Investigations of United States citizens for employment by international organizations	608			138				99	99		39	39
Annuities under special acts	606			270				64	64		206	206
Total, Civil Service Commission		21,924	20,850	2,284	23,027	21,605	22,160	1,916	24,076	22,388	368	22,756
COMMISSION ON CIVIL RIGHTS												
Current authorizations:												
Salaries and expenses	608		750	40	288		675	35	710	363	5	368
Proposed for later transmission (other than pay increases supplementals):												
Under proposed legislation: Salaries and expenses	608				500						452	452
Total, Commission on Civil Rights			750	40	788		675	35	710	363	457	820
COMMISSION ON GOVERNMENT SECURITY												
Current authorizations:												
Salaries and expenses: Reappropriation	608	153				101						
COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS												
Current authorizations:												
Salaries and expenses	355					9						
COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE												
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	610			75				10	10		65	65
DISTRICT OF COLUMBIA AUDITORIUM COMMISSION												
Current authorizations:												
Salaries and expenses	609					6						
EXPORT-IMPORT BANK OF WASHINGTON												
Public enterprise funds:												
Export-Import Bank of Washington fund (authorization to expend from debt receipts)	152	2,000,000				345,999	250,005		250,005			
Limitation on administrative expenses	152	(1,987)	(2,055)	(160)	(2,500)							
Liquidation of certain Reconstruction Finance Corporation assets	152					−6,173	−7,369		−7,369	−6,089		−6,089
Total, Export-Import Bank of Washington		2,000,000				339,826	242,637		242,637	−6,089		−6,089

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
FARM CREDIT ADMINISTRATION												
Permanent authorizations:												
Administrative expenses (indefinite special fund)	352	$1,922	$2,125		$2,125	$1,980	$2,200		$2,200	$2,125		$2,125
Limitation on administrative expenses	352	(2,200)	(2,125)		(2,125)							
Public enterprise funds:												
Federal Farm Mortgage Corporation fund	352					−2,344	−2,039		−2,039	−1,666		−1,666
Federal intermediate credit banks:												
Investment fund	352					600	5,000		5,000	4,150		4,150
Limitation on administrative expenses (trust fund)		(3,375)	(1,693)									
Production credit associations investment fund	352					2,040	5,400		5,400	4,000		4,000
Agricultural marketing revolving fund	352					−5,728	−6,789		−6,789	−7,000		−7,000
Total, Farm Credit Administration		1,922	2,125		2,125	−3,452	3,772		3,772	1,609		1,609
FEDERAL AVIATION AGENCY												
Current authorizations:												
Expenses	513	187,675	241,959	$16,623	326,400	176,369	242,300	$15,793	258,093	314,170	$830	315,000
Establishment of air navigation facilities	513	124,604	158,500		145,000	50,575	103,575		103,575	117,000		117,000
Grants-in-aid for airports (liquidation of contract authorization)	513	(25,000)	(30,000)		(50,000)	33,767	41,877		41,877	50,000		50,000
Research and development	513		31,378	330	63,600		20,531	317	20,848	42,987	13	43,000
Operation and maintenance, Washington National Airport	513	1,566	2,400	64	2,400	1,572	2,420	60	2,480	2,396	4	2,400
Construction, Washington National Airport	513	250				1,432	806		806	222		222
Construction and development, additional Washington airport	513	12,500	50,000			1,225	24,409		24,409	27,600		27,600
Operation and maintenance of public airports, Territory of Alaska	513	700	1,050	29		663	1,011	27	1,038	98	2	100
Expenses, Airways Modernization Board	513	15,121				1,289	4,657		4,657			
Air navigation development	513	220				438						
Grants-in-aid for airports, Federal Airport Act	513					9,103	8,000		8,000	4,628		4,628
Claims, Federal Airport Act	513					27	50		50	22		22
Construction of public airports, Territory of Alaska	513					48	4		4			
Permanent authorizations:												
Grants-in-aid for airports (contract authorization)	513	63,000	63,000									
Intragovernmental funds:												
Advances and reimbursements	513					25	2		2			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Expenses	513			515				489	489		26	26
Operation and maintenance, Washington National Airport	513			36				34	34		2	2
Under proposed legislation: Grants-in-aid for airports (contract authorization)	513				65,000							
Total, Federal Aviation Agency		405,637	548,287	17,597	602,400	276,533	449,642	16,720	466,362	559,123	877	560,000
FEDERAL COAL MINE SAFETY BOARD OF REVIEW												
Current authorizations:												
Salaries and expenses	211	70	70		70	52	70		70	70		70
FEDERAL COMMUNICATIONS COMMISSION												
Currant authorizations:												
Salaries and expenses	519	8,734	9,042	778	11,000	8,349	9,265	748	10,013	10,597	30	10,627
FEDERAL HOME LOAN BANK BOARD												
Public enterprise funds:												
Revolving fund	517											
Limitation on administrative expenses	517	(1,250)	(1,600)	(129)	(1,900)	−187	85		85	55		55
Limitation on nonadministrative expenses	517	(5,060)	(6,343)	(445)	(7,784)							
Federal Savings and Loan Insurance Corporation:												
Revolving fund	517											
Limitation on administrative expenses	517	(692)	(720)	(44)	(800)	−38,135	−42,611		−42,611	−47,338		−47,338
Home Owners' Loan Corporation fund	517					4	4		4	4		4
Total, Federal Home Loan Bank Board						−38,318	−42,522		−42,522	−47,279		−47,279

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Federal Reserve Bank of St. Louis

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
FEDERAL MEDIATION AND CONCILIATION SERVICE												
Current authorizations:												
Salaries and expenses	211	$3,674	$3,650	$299	$3,949	$3,507	$3,811	$287	$4,098	$3,898	$12	$3,910
FEDERAL POWER COMMISSION												
Current authorizations:												
Salaries and expenses	401	5,834	6,505	557	7,425	5,528	6,701	530	7,231	7,378	27	7,405
Permanent authorizations:												
Payments to States under Federal Power Act (indefinite special fund)	401	49	59	----------	53	44	49	----------	49	59	----------	59
Total, Federal Power Commission	------	5,883	6,564	557	7,478	5,572	6,750	530	7,280	7,437	27	7,464
FEDERAL TRADE COMMISSION												
Current authorizations:												
Salaries and expenses	519	6,186	5,975	540	6,975	5,917	6,225	515	6,740	6,910	25	6,935
FOREIGN CLAIMS SETTLEMENT COMMISSION												
Current authorizations:												
Salaries and expenses	610	570	565	48	408	463	576	45	621	407	3	410
Payment of Korean claims	610	----------	----------	----------	----------	−4	9	----------	9	----------	----------	----------
Total, Foreign Claims Settlement Commission	------	570	565	48	408	459	585	45	630	407	3	410
GENERAL ACCOUNTING OFFICE												
Current authorizations:												
Salaries and expenses	604	37,010	37,000	3,100	41,869	35,233	37,788	2,889	40,677	41,404	211	41,615
HISTORICAL AND MEMORIAL COMMISSIONS												
Current authorizations:												
Alexander Hamilton Bicentennial Commission	610	----------	----------	----------	----------	31	----------	----------	----------	----------	----------	----------
Booker T. Washington Centennial Commission	610	----------	----------	----------	----------	35	----------	----------	----------	----------	----------	----------
Boston National Historic Sites Commission	405	----------	20	----------	----------	17	21	----------	21	----------	----------	----------
Reappropriation	405	17	----------	----------	----------							
Civil War Centennial Commission	610	37	63	----------	100	15	77	----------	77	100	----------	100
Reappropriation	610	----------	14	----------	----------							
Corregidor Bataan Memorial Commission	610	44	4	----------	----------	27	6	----------	6	----------	----------	----------
Franklin Delano Roosevelt Memorial Commission	610	----------	----------	----------	----------	3	7	----------	7	----------	----------	----------
Hudson-Champlain Celebration Commission	610	----------	50	----------	----------	----------	19	----------	19	31	----------	31
Jamestown-Williamsburg-Yorktown Celebration Commission	610	88	----------	----------	----------	75	21	----------	21	----------	----------	----------
Lincoln Sesquicentennial Commission	610	38	350	----------	145	9	353	----------	353	170	----------	170
Theodore Roosevelt Centennial Commission	610	----------	----------	----------	----------	55	45	----------	45	2	----------	2
Woodrow Wilson Centennial Celebration Commission	610	----------	----------	----------	----------	10	----------	----------	----------	----------	----------	----------
Total, historical and memorial commissions	------	223	501	----------	245	277	549	----------	549	303	----------	303
INDIAN CLAIMS COMMISSION												
Current authorizations:												
Salaries and expenses	602	178	178	----------	180	162	177	----------	177	179	----------	179
INTERSTATE COMMERCE COMMISSION												
Current authorizations:												
Salaries and expenses	519	17,412	17,300	1,524	20,150	16,580	18,111	1,448	19,559	20,057	76	20,133

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN												
Current authorizations:												
Contribution to Interstate Commission on the Potomac River Basin	213	$5	$5		$5	$5	$5		$5	$5		$5
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION												
Current authorizations:												
Salaries and expenses	513		83,100	$3,354			80,000	$3,000	83,000	9,646	$354	10,000
Research and development	513		171,078				40,000		40,000	90,000		90,000
Construction and equipment	513		48,000				22,912		22,912	30,000		30,000
Salaries and expenses, National Advisory Committee for Aeronautics	513	76,076				71,967						
Construction and equipment, National Advisory Committee for Aeronautics	513	41,200				16,619						
Construction and equipment (liquidation of contract authorization)	513					34						
Construction and equipment, unitary plan	513					573	88		88			
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation:												
Salaries and expenses	513				94,430						90,000	90,000
Research and development	513			20,750	333,070			5,000	5,000		55,000	55,000
Construction and equipment	513			24,250	57,800			2,000	2,000		5,000	5,000
Total, National Aeronautics and Space Administration		117,276	302,178	48,354	485,300	89,193	143,000	10,000	153,000	129,646	150,354	280,000
NATIONAL CAPITAL HOUSING AUTHORITY												
Current authorizations:												
Operation and maintenance of properties	516	38	38		45	38	38		38	45		45
NATIONAL CAPITAL PLANNING COMMISSION												
Current authorizations:												
Salaries and expenses	609	231	225	20	475	214	230	19	249	476	1	477
Land acquisition, National Capital park, parkway, and playground system	609	1,393			4,389	922	2,200		2,200	1,505		1,505
Salaries and expenses, Washington regional mass transportation survey	609	50				89	150		150	18		18
Reappropriation	609	61										
Total, National Capital Planning Commission		1,736	225	20	4,864	1,226	2,580	19	2,599	1,999	1	2,000
NATIONAL LABOR RELATIONS BOARD												
Current authorizations:												
Salaries and expenses	211	9,749	13,100	174	14,230	9,442	12,422	163	12,585	13,589	11	13,600
NATIONAL MEDIATION BOARD												
Current authorizations:												
Salaries and expenses	211	507	520	25	1,357	494	525	15	540	1,372	20	1,392
Arbitration and emergency boards	211	240	250			209	266		266			
Salaries and expenses, National Railroad Adjustment Board	211	548	525	27		529	533	17	550			
Total, National Mediation Board		1,295	1,295	52	1,357	1,233	1,324	32	1,356	1,372	20	1,392

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
NATIONAL SCIENCE FOUNDATION												
Current authorizations:												
Salaries and expenses:												
(Promotion of education in the sciences)	214	$20,398	$66,173		$66,599	$14,872	$51,118		$51,118	$59,512		$59,512
(Promotion of scientific research)	215	29,352	69,827		93,701	20,737	52,259		52,259	79,056		79,056
International Geophysical Year	215	2,000	2,500			14,086	7,741		7,741	1,432		1,432
Public enterprise funds:												
Research and development of rubber program	215					22	13		13			
Intragovernmental funds:												
Advances and reimbursements	215					4	10		10			
Total, National Science Foundation		51,750	138,500		160,300	49,721	111,141		111,141	140,000		140,000
NATIONAL SECURITY TRAINING COMMISSION												
Current authorizations:												
Salaries and expenses	211					2						
OUTDOOR RECREATION RESOURCES REVIEW COMMISSION												
Current authorizations:												
Outdoor Recreation Resources Review Commission	405		50				50		50			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Outdoor Recreation Resources Review Commission	405			$350	1,100			$300	300		$1,000	1,000
Total, Outdoor Recreation Resources Review Commission			50	350	1,100		50	300	350		1,000	1,000
PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE												
Permanent authorizations:												
Oliver Wendell Holmes Devise fund (indefinite special fund)	610	14	50		12	39	67		67	90		90
PRESIDENT'S ADVISORY COMMISSION ON PRESIDENTIAL OFFICE SPACE												
Current authorizations:												
Salaries and expenses	603					2						
RAILROAD RETIREMENT BOARD												
Current authorizations:												
Limitation on salaries and expenses (trust fund)		(8,413)	(8,450)	(705)	(9,460)							
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Limitation on salaries and expenses (trust fund)				(372)								
RENEGOTIATION BOARD												
Current authorizations:												
Salaries and expenses	604	3,056	2,850	215	3,000	2,946	2,967	204	3,171	2,996	11	3,007
RIVER BASIN STUDY COMMISSIONS												
Current authorizations:												
River Basin Study Commission for South Carolina-Georgia-Alabama-Florida	401		50				45		45	5		5
River Basin Study Commission for Texas	401		50				45		45	5		5

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
RIVER BASIN STUDY COMMISSIONS—Con.												
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
River Basin Study Commission for South Carolina-Georgia-Alabama-Florida	401			$150	$800			$130	$130		$745	$745
River Basin Study Commission for Texas	401			150	800			130	130		745	745
Total, river basin study commissions			$100	300	1,600		$90	260	350	$10	1,490	1,500
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION												
Public enterprise funds:												
Saint Lawrence Seaway Development Corporation fund (authorization to expend from debt receipts)	401	$35,000				$48,323	17,100		17,100	4,200		4,200
Limitation on administrative expenses	401	(400)	(400)	(15)	(415)							
SECURITIES AND EXCHANGE COMMISSION												
Current authorizations:												
Salaries and expenses	519	6,935	7,100	637	8,275	6,491	7,256	597	7,853	8,160	40	8,200
SELECTIVE SERVICE SYSTEM												
Current authorizations:												
Salaries and expenses	211	27,470	27,500	2,415	30,650	26,648	28,300	2,200	30,500	29,200	215	29,415
SMALL BUSINESS ADMINISTRATION												
Current authorizations:												
Salaries and expenses	518	2,322	3,500	286	5,600	2,204	3,171	259	3,430	5,110	27	5,137
Grants for research and management counseling (indefinite special fund)	518		27,546				1,400		1,400	2,080		2,080
Public enterprise funds:												
Revolving fund:												
(Business loans) (current appropriation)	518	112,000	193,000		195,000	75,156	156,008		156,008	158,199		158,199
(Disaster loans and relief) (current appropriation)	521	8,000	7,000		5,000	9,214	9,513		9,513	5,737		5,737
Liquidation of Reconstruction Finance Corporation loans:												
(Business loans)	518					−6,391	−3,778		−3,778	−1,863		−1,863
(Disaster loans and relief)	521					−1,375	−1,176		−1,176	−1,112		−1,112
Total, Small Business Administration		122,322	231,046	286	205,600	78,808	165,138	259	165,397	168,151	27	168,178
SMITHSONIAN INSTITUTION												
Current authorizations:												
Salaries and expenses	215	6,102	7,408	310	7,718	5,041	7,664	298	7,962	7,720	12	7,732
Additions to the Natural History Building	215	800				143	468		468	67		67
Museum of History and Technology	215					218	3,269		3,269	14,084		14,084
Salaries and expenses, National Gallery of Art	215	1,677	1,674	129	1,834	1,643	1,737	122	1,859	1,817	7	1,824
Intragovernmental funds:												
Advances and reimbursements	215					−1	40		40			
Total, Smithsonian Institution		8,579	9,082	439	9,552	7,043	13,178	420	13,598	23,688	19	23,707
SUBVERSIVE ACTIVITIES CONTROL BOARD												
Current authorizations:												
Salaries and expenses	608	375	375		400	327	371		371	400		400
TARIFF COMMISSION												
Current authorizations:												
Salaries and expenses	151	1,768	1,810	157	2,035	1,713	1,870	150	2,020	2,025	7	2,032

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
TAX COURT OF THE UNITED STATES												
Current authorizations:												
Salaries and expenses	604	$1,460	$1,481	$45	$1,535	$1,442	$1,482	$43	$1,525	$1,527	$2	$1,529
TENNESSEE VALLEY AUTHORITY												
Public enterprise funds:												
Tennessee Valley Authority fund (current appropriation)	401	13,317	16,850		15,286	37,766	46,499		46,499	7,878		7,878
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation: Tennessee Valley Authority fund (authorization to expend from debt receipts)	401			200,000				1,500	1,500		17,500	17,500
Total, Tennessee Valley Authority		13,317	16,850	200,000	15,286	37,766	46,499	1,500	47,999	7,878	17,500	25,378
UNITED STATES INFORMATION AGENCY												
Current authorizations:												
Salaries and expenses	153	96,517	98,500	3,397	106,800	103,514	95,196	3,266	98,462	102,869	131	103,000
Acquisition and construction of radio facilities	153	1,100	14,750		16,400	1,310	5,000		5,000	7,800		7,800
Public enterprise funds:												
Informational media guaranty fund (authorization to expend from debt receipts)	153		2,500		3,500	3,840	3,802		3,802	3,269		3,269
Total, United States Information Agency		97,617	115,750	3,397	126,700	108,664	103,998	3,266	107,264	113,938	131	114,069
VETERANS ADMINISTRATION												
Current authorizations:												
General operating expenses	106	163,001	152,500	12,578	163,373	157,398	158,050	12,313	170,363	162,843	265	163,108
Medical administration and miscellaneous operating expenses	105	22,303	26,000	807	23,005	22,846	26,010	770	26,780	22,713	37	22,750
Inpatient care	105	729,038	720,667	43,065	786,779	717,692	730,239	41,084	771,323	780,756	1,981	782,737
Outpatient care	105	80,889	75,399	4,555	83,866	80,899	74,710	4,315	79,025	82,986	240	83,226
Maintenance and operation of supply depots	106	1,870	2,055	116	2,303	1,820	2,091	111	2,202	2,281	5	2,286
Compensation and pensions	103	3,082,250	3,200,000		3,307,000	3,104,494	3,204,318		3,204,318	3,307,000		3,307,000
Readjustment benefits:												
(Education and training)	101	721,638	595,827		481,073	698,832	619,316		619,316	490,073		490,073
(Other readjustment benefits)	102	92,409	104,173		106,927	92,409	104,173		104,173	106,927		106,927
Veterans insurance and indemnities	104	44,003	51,100		53,000	55,535	53,056		53,056	53,810		53,810
Grants to the Republic of the Philippines	105	1,580	1,250		2,000	1,590	1,250		1,250	2,000		2,000
Construction of hospital and domiciliary facilities	105	44,528	19,295		20,159	32,888	45,000		45,000	55,000		55,000
Permanent authorizations:												
Veterans insurance and indemnities	104	700	660		655	700	660		660	655		655
Public enterprise funds:												
Canteen service revolving fund	106					−539	−481		−481	−272		−272
Direct loans to veterans and reserves (permanent authorization to expend from debt receipts)	517	49,571	150,000		150,000	158,909	143,941		143,941	132,984		132,984
Rental, maintenance, and repair of quarters	106					1	1		1			
Service-disabled veterans insurance fund (current appropriation)	104	1,500				597	945		945	1,078		1,078
Soldiers' and sailors' civil relief fund (current appropriation)	102		1,300			15	1,209		1,209	441		441
Veterans special term insurance	104					−13,737	−11,151		−11,151	−7,030		−7,030
Intragovernmental funds:												
Supply fund	106					−14,616	14,428		14,428	−983		−983

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organizational unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
VETERANS ADMINISTRATION—Continued												
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
General operating expenses	106			$860				$860	$860			
Inpatient care	105			4,390				4,326	4,326		$64	$64
Outpatient care	105			2,379				2,379	2,379			
Maintenance and operation of supply depots	106			47				45	45		2	2
Compensation and pensions	103			52,500				52,500	52,500			
Under proposed legislation:												
General operating expenses	106				$5,000						5,000	5,000
Direct loans to veterans and reserves	517										−33,000	−33,000
Total, Veterans Administration		$5,035,280	$5,100,226	121,297	5,185,140	$5,097,736	$5,167,764	118,703	5,286,467	$5,193,262	−25,406	5,167,856
Total new obligational authority and budget expenditures		10,452,129	9,393,731	423,806	9,820,563	8,559,930	9,274,523	181,918	9,456,441	9,267,724	175,700	9,443,424
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$8,263,363	$9,097,383		$8,938,218							
Appropriations to liquidate contract authorizations		(25,000)	(30,000)		(50,000)							
Authorizations to expend from debt receipts		2,035,000	2,500		3,500							
Reappropriations		38,511	77,954		18,000	$8,559,930		$9,274,523			$9,267,724	
Permanent authorizations:												
Appropriations		2,685	2,894		2,845							
Authorizations to expend from debt receipts		49,571	150,000		150,000							
Contract authorizations		63,000	63,000									
Proposed for later transmission:												
Pay increase supplemental appropriations			98,416					93,690			4,726	
Other:												
Appropriations			125,390		643,000			88,228			170,974	
Authorizations to expend from debt receipts			200,000									
Contract authorizations					65,000							
Total new obligational authority and budget expenditures		10,452,129	9,817,537		9,820,563	8,559,930		9,456,441			9,443,424	

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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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
ATOMIC ENERGY COMMISSION										
Defense production guaranties	518	$1	$1	$1	$96	$65	$26	−$95	−$64	−$25
EXPORT-IMPORT BANK OF WASHINGTON										
Export-Import Bank of Washington fund	152	857,794	811,276	853,515	511,795	561,270	853,515	345,999	250,006	
Liquidation of certain Reconstruction Finance Corporation assets	152	439	317	195	6,612	7,685	6,284	−6,173	−7,369	−6,089
Total, Export-Import Bank of Washington		858,233	811,593	853,710	518,407	568,955	859,799	339,826	242,637	−6,089
FARM CREDIT ADMINISTRATION										
Federal Farm Mortgage Corporation fund	352	129	4	4	2,473	2,042	1,669	−2,344	−2,039	−1,666
Federal intermediate credit banks: Investment fund	352	600	5,000	4,750			600	600	5,000	4,150
Production credit associations investment fund	352	2,210	6,000	6,000	170	600	2,000	2,040	5,400	4,000
Agricultural marketing revolving fund	352				5,728	6,789	7,000	−5,728	−6,789	−7,000
Total, Farm Credit Administration		2,939	11,004	10,754	8,371	9,431	11,269	−5,432	1,572	−516
FEDERAL HOME LOAN BANK BOARD										
Revolving fund	517	6,548	8,771	9,956	6,735	8,686	9,901	−187	85	55
Federal Savings and Loan Insurance Corporation: Revolving fund	517	1,229	1,487	1,594	39,364	44,098	48,932	−38,135	−42,611	−47,338
Home Owners' Loan Corporation fund	517	4	4	4				4	4	4
Total, Federal Home Loan Bank Board		7,781	10,262	11,554	46,099	52,784	58,833	−38,318	−42,522	−47,279
NATIONAL SCIENCE FOUNDATION										
Research and development of rubber program	215	22	13					22	13	
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION										
Saint Lawrence Seaway Development Corporation fund	401	48,323	18,600	9,918		1,500	5,718	48,323	17,100	4,200
SMALL BUSINESS ADMINISTRATION										
Revolving fund:										
(Business loans)	518	122,247	230,917	280,679	47,091	74,910	122,480	75,156	156,008	158,199
(Disaster loans and relief)	521	18,200	17,673	15,823	8,986	8,160	10,086	9,214	9,513	5,737
Reconstruction Finance Corporation liquidation fund:										
(Business loans)	518	2,574	470	390	8,965	4,248	2,253	−6,391	−3,778	−1,863
(Disaster loans and relief)	521	687	577	460	2,062	1,752	1,572	−1,375	−1,176	−1,112
Total, Small Business Administration		143,708	249,637	297,352	67,104	89,070	136,391	76,604	160,567	160,961
TENNESSEE VALLEY AUTHORITY										
Tennessee Valley Authority fund	401	297,436	312,540	297,928	259,670	266,041	290,050	37,766	46,499	7,878
Proposed for later transmission	401		1,500	17,500					1,500	17,500
Total, Tennessee Valley Authority fund		297,436	314,040	315,428	259,670	266,041	290,050	37,766	47,999	25,378
UNITED STATES INFORMATION AGENCY										
Informational media guaranty fund	153	9,934	9,459	9,021	6,094	5,657	5,752	3,840	3,802	3,269
VETERANS ADMINISTRATION										
Canteen service revolving fund	106	33,557	33,714	33,902	34,096	34,195	34,174	−539	−481	−272
Direct loans to veterans and reserves	517	226,927	238,331	242,558	68,018	94,390	109,574	158,909	143,941	132,984
Proposed for later transmission	517			−33,000						−33,000
Rental, maintenance, and repair of quarters	106	78	87	84	77	86	84	1	1	
Service-disabled veterans insurance fund	104	2,967	3,926	5,020	2,370	2,980	3,943	597	945	1,078
Soldiers' and sailors' civil relief	102	23	1,218	449	8	9	8	15	1,209	441
Veterans special term insurance fund	104	6,093	7,136	7,131	19,830	18,287	14,161	−13,737	−11,151	−7,030
Vocational rehabilitation revolving fund	106	336	300	300	336	300	300			
Total, Veterans Administration		269,981	284,712	256,444	124,735	150,247	162,244	145,247	134,464	94,201
Total, public enterprise funds		1,638,358	1,709,321	1,764,182	1,030,576	1,143,750	1,530,082	607,783	565,568	234,100

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$113		$13							
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION											
Current authorizations:											
Salaries and expenses			$19	24		$10			$10		
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Salaries and expenses					$78	130			90	$26	$40
Total, Alaska International Rail and Highway Commission			19	24	78	140			100	26	40
AMERICAN BATTLE MONUMENTS COMMISSION											
Current authorizations:											
Salaries and expenses		154		181		205	$1,295	$1,165	135		200
Construction of memorials and cemeteries	$6,124	8,556	5,268	7,478	2,768	4,978			2,000	268	2,978
Total, American Battle Monuments Commission	6,124	8,710	5,268	7,659	2,768	5,183	1,295	1,165	2,135	268	3,178
ATOMIC ENERGY COMMISSION											
Current authorizations:											
Operating expenses		700,098		821,597		895,814	2,520,000	1,551,186	895,814		968,814
Plant acquisition and construction	308,029	584,226	222,864	480,209	10,825	480,139	102,000	15,000	255,000		312,139
Public enterprise funds:											
Defense production guaranties	341	341	436	436	500	500			−25	525	525
Intragovernmental funds:											
Advances and reimbursements		54									
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation:											
Operating expenses							23,500	8,000			15,500
Plant acquisition and construction							126,000	20,000			106,000
Total, Atomic Energy Commission	308,370	1,284,719	223,300	1,302,242	11,325	1,376,453	2,771,500	1,594,186	1,150,789	525	1,402,978
CENTRAL INTELLIGENCE AGENCY											
Current authorizations:											
Construction	47,138	52,861	44,273	49,240	2,575	41,230			14,000	840	27,230
CIVIL AERONAUTICS BOARD											
Current authorizations:											
Salaries and expenses		225		602		449	7,500	6,851	449		649
Payments to air carriers	1,853	440		4,095	−4,242		62,618	62,618		−4,859	
Total, Civil Aeronautics Board	1,853	666		4,698	−4,242	449	70,118	69,469	449	−4,859	649
CIVIL SERVICE COMMISSION											
Current authorizations:											
Salaries and expenses		1,007		1,811		972	20,165	19,010	972		1,155
Investigations of United States citizens for employment by international organizations		44		46		10	412	384	10		28
Annuities under special acts		298		208			2,450	2,256			194
Intragovernmental funds:											
Investigations	3,607	3,768	3,577	3,399	3,605	3,134			−159	3,710	3,293

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
CIVIL SERVICE COMMISSION—Con.											
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Salaries and expenses						$38			$38		
Investigations of United States citizens for employment by international organizations						39			39		
Annuities under special acts						206			206		
Total, Civil Service Commission	$3,607	$5,117	$3,577	$5,464	$3,605	4,399	$23,027	$21,650	1,106	$3,710	$4,670
COMMISSION ON CIVIL RIGHTS											
Current authorizations:											
Salaries and expenses						80	288	288	80		
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Salaries and expenses							500	452			48
Total, Commission on Civil Rights						80	788	740	80		48
COMMISSION ON GOVERNMENT SECURITY											
Current authorizations:											
Salaries and expenses		52									
COMMISSION ON INCREASED INDUSTRIAL USE OF AGRICULTURAL PRODUCTS											
Current authorizations:											
Salaries and expenses		9									
COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE											
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislaton: Salaries and expenses					60	65			65		
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		43,704		5,205		5,000					[1] 5,000
Authorization to expend from debt receipts	1,567,718	2,822,000	3,223,715	4,492,000	2,645,135	4,219,700				2,551,340	4,197,200
Liquidation of certain Reconstruction Finance Corporation assets	78		61	4	45				−6,089	31	(2)
Total, Export-Import Bank of Washington	1,567,796	2,865,704	3,223,776	4,497,210	2,645,180	4,224,700			−6,089	2,551,371	4,202,200
FARM CREDIT ADMINISTRATION											
Permanent authorizations:											
Administrative expenses (indefinite special fund)	1,137	1,247	988	1,189	988	1,114	2,125	2,015	110	988	1,114
Public enterprise funds:											
Federal Farm Mortgage Corporation fund:											
Cash	1,073	1,121	484	530	400	443			−1,666	343	[3] 384
Authorization to expend from debt receipts	499,735	499,735									

[1] Excludes capital transfer in 1960 of $22,500 thousand.

[2] Excludes, in 1960, capital transfer of $6 thousand and unobligated balance no longer available of $6,082 thousand.

[3] Excludes, in 1960, capital transfer of $1,700 thousand and unobligated balance no longer available of $25 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FARM CREDIT ADMINISTRATION—Con.											
Public enterprise funds—Continued											
Federal intermediate credit banks: Investment fund	$40,000	$40,000	$39,400	$39,400	$34,400	$34,400			$4,150	$30,250	$30,250
Production credit associations investment fund	58,130	58,130	56,090	56,090	50,690	50,690			4,000	46,690	46,690
Agricultural marketing revolving fund	38,600	38,600	44,328	44,328	51,117	51,117			−7,000	58,117	58,117
Total, Farm Credit Administration	638,675	638,832	141,290	141,537	137,594	137,764	$2,125	$2,015	−406	136,387	136,555
FEDERAL AVIATION AGENCY											
Current authorizations:											
Expenses		11,952		23,711		23,089	326,400	293,500	21,500		34,489
Establishment of air navigation facilities	16,866	77,003	21,406	151,287	74,906	206,212	145,000	20,300	96,700	77,406	234,212
Grants-in-aid for airports:											
Contract authorization (permanent)	58,803	75,500	57,880	113,500	57,880	146,500			50,000	27,880	96,500
Liquidation of contract authorization		20,644		11,877							
Research and development						20,461	63,600	23,210	19,790		41,061
Operation and maintenance, Washington National Airport		126		156		140	2,400	2,280	120		140
Construction, Washington National Airport	1,098	2,213	542	1,031		225			222		3
Construction and development, additional Washington airport			6,062	11,275	2,132	36,866			27,600	220	9,266
Operation and maintenance of public airports, Territory of Alaska		33		70		111			100		11
Expenses, Airways Modernization Board				14,484							
Air navigation development		1,382									
Grants-in-aid for airports, Federal Airport Act	6,991	22,318		12,628		4,628			4,628		
Claims, Federal Airport Act	11	351	103	324		186			22		164
Construction of public airports, Territory of Alaska	9	52		4							
Intragovernmental funds:											
Advances and reimbursements		27		1							
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Expenses						26			26		
Operation and maintenance, Washington National Airport						2			2		
Under proposed legislation: Grants-in-aid for airports (contract authorization)							65,000			20,000	65,000
Total, Federal Aviation Agency	83,778	211,601	85,992	340,349	134,918	438,446	602,400	339,290	220,710	125,506	480,846
FEDERAL COAL MINE SAFETY BOARD OF REVIEW											
Current authorizations:											
Salaries and expenses		2		3		3	70	67	3		3
FEDERAL COMMUNICATIONS COMMISSION											
Current authorizations:											
Salaries and expenses		399		808		555	11,000	10,072	555		928
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

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FEDERAL HOME LOAN BANK BOARD											
Public enterprise funds:											
Revolving fund:											
Cash	$315	$346	$251	$533	$253	$448			$55	$404	$393
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	270,303	275,979	289,535	296,851	305,693	313,896			−47,338	352,023	361,233
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		566		538		509			4		[4] 480
Total, Federal Home Loan Bank Board	2,020,618	2,026,891	2,039,786	2,047,922	2,055,946	2,064,853			−47,279	2,102,427	2,112,106
FEDERAL MEDIATION AND CONCILIATION SERVICE											
Current authorizations:											
Salaries and expenses		187		366		194	$3,949	$3,752	158		233
FEDERAL POWER COMMISSION											
Current authorizations:											
Salaries and expenses		281		609		398	7,425	7,050	355		418
Permanent authorizations:											
Payments to States under Federal Power Act (indefinite special fund)		44		49		59	53		59		53
Total, Federal Power Commission		325		659		457	7,478	7,050	414		471
FEDERAL TRADE COMMISSION											
Current authorizations:											
Salaries and expenses		314		579		355	6,975	6,580	355		394
FOREIGN CLAIMS SETTLEMENT COMMISSION											
Current authorizations:											
Salaries and expenses		56		71		63	408	347	63		61
Payment of Korean claims		6		9							
Total, Foreign Claims Settlement Commission		62		80		63	408	347	63		61
GENERAL ACCOUNTING OFFICE											
Current authorizations:											
Salaries and expenses		1,560		3,285		2,708	41,869	38,907	2,708		2,962
HISTORICAL AND MEMORIAL COMMISSIONS											
Current authorizations:											
Alexander Hamilton Bicentennial Commission	26	31									
Booker T. Washington Centennial Commission	35	35									
Boston National Historic Sites Commission		1		1							
Civil War Centennial Commission				9		9	100	91	9		9
Corregidor Bataan Memorial Commission		3		2							
Franklin Delano Roosevelt Memorial Commission	10	10	7	7							
Hudson-Champlain Celebration Commission					28	31			31		
Jamestown-Williamsburg-Yorktown Celebration Commission		21		21							
Lincoln Sesquicentennial Commission				28		25	145	145	25		
Theodore Roosevelt Centennial Commission	98	101	44	47	2	2			2		
Woodrow Wilson Centennial Celebration Commission		15									
Total, historical and memorial commissions	169	217	51	114	30	67	245	236	67		9

[4] Excludes unobligated balance no longer available in 1960 of $25 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
INDIAN CLAIMS COMMISSION											
Current authorizations:											
Salaries and expenses		$4		$5		$6	$180	$173	$6		$7
INTERSTATE COMMERCE COMMISSION											
Current authorizations:											
Salaries and expenses		916		1,734		999	20,150	19,143	990		1,016
INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN											
Current authorizations:											
Contribution to Interstate Commission on the Potomac River Basin							5	5			
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION											
Current authorizations;											
Salaries and expenses						14,043			10,000		4,043
Research and development						156,619			90,000		66,619
Construction and equipment					$29,154	78,357			30,000	$16,154	48,357
Salaries and expenses, National Advisory Committee for Aeronautics		6,624		11,601							
Construction and equipment, National Advisory Committee for Aeronautics	$8,379	28,717	$29,431	53,269							
Construction and equipment (liquidation of contract authorization)		34									
Construction and equipment, unitary plan	268	763	118	190							
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation:											
Salaries and expenses							94,430	90,000			4,430
Research and development						15,750	333,070	40,000	15,000		293,820
Construction and equipment						22,250	57,800	2,000	3,000		75,050
Total, National Aeronautics and Space Administration	8,647	36,137	29,549	65,060	29,154	287,019	485,300	132,000	148,000	16,154	492,319
NATIONAL CAPITAL HOUSING AUTHORITY											
Current authorizations:											
Operation and maintenance of properties		6		4			45	45			
NATIONAL CAPITAL PLANNING COMMISSION											
Current authorizations:											
Salaries and expenses		22		38		33	475	444	33		31
Land acquisition, National Capital park, parkway, and playground system	1,206	2,350	2,066	2,820		620	4,389	885	620		3,504
Salaries and expenses, Washington regional mass transportation survey		169	57	169		18			18		
Total, National Capital Planning Commission	1,206	2,541	2,122	3,027		671	4,864	1,329	671		3,535
NATIONAL LABOR RELATIONS BOARD											
Current authorizations:											
Salaries and expenses		521		867		1,510	14,230	12,120	1,480		2,140
NATIONAL MEDIATION BOARD											
Current authorizations:											
Salaries and expenses		31		41		145	1,357	1,247	145		110
Arbitration and emergency boards		20		46							
Salaries and expenses, National Railroad Adjustment Board		52		70							
Total, National Mediation Board		103		157		145	1,357	1,247	145		110

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
NATIONAL SCIENCE FOUNDATION											
Current authorizations:											
Salaries and expenses	$1,553	$18,821	$1,329	$32,962		$65,585	$160,300	$72,983	$65,585		$87,317
International Geophysical Year	17,337	18,759	5,140	6,673		1,432			1,432		
Public enterprise funds:											
Research and development of rubber program		75		13							
Intragovernmental funds:											
Advances and reimbursements		14	10	10							
Total, National Science Foundation	18,890	37,669	6,479	39,658		67,017	160,300	72,983	67,017		87,317
NATIONAL SECURITY TRAINING COMMISSION											
Current authorizations:											
Salaries and expenses		3									
OUTDOOR RECREATION RESOURCES REVIEW COMMISSION											
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Outdoor Recreation Resources Review Commission						50	1,100	950	50		150
PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE											
Permanent authorizations:											
Oliver Wendell Holmes devise fund (indefinite special fund)	434	434	409	410	$393	393	12		90	$314	314
PRESIDENT'S ADVISORY COMMISSION ON PRESIDENTIAL OFFICE SPACE											
Current authorizations:											
Salaries and expenses		2									
RENEGOTIATION BOARD											
Current authorizations:											
Salaries and expenses		206		282		176	3,000	2,836	171		169
RIVER BASIN STUDY COMMISSIONS											
Current authorizations:											
River Basin Study Commission for South Carolina-Georgia-Alabama-Florida						5			5		
River Basin Study Commission for Texas						5			5		
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
River Basin Study Commission for South Carolina-Georgia-Alabama-Florida						20	800	725	20		75
River Basin Study Commission for Texas						20	800	725	20		75
Total, river basin study commissions						50	1,600	1,450	50		150
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION											
Public enterprise funds:											
Saint Lawrence Seaway Development Corporation fund:											
Cash		180		257		257			4,200		257
Authorization to expend from debt receipts	9,201	56,700	31,678	43,300	21,892	26,200				17,814	22,000
Total, Saint Lawrence Seaway Development Corporation	9,201	56,880	31,678	43,557	21,892	26,457			4,200	17,814	22,257

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
SECURITIES AND EXCHANGE COMMISSION											
Current authorizations:											
Salaries and expenses		$298		$754		$600	$8,275	$7,600	$600		$675
SELECTIVE SERVICE SYSTEM											
Current authorizations:											
Salaries and expenses		2,402		3,301		2,468	30,650	27,200	2,215		3,703
SMALL BUSINESS ADMINISTRATION											
Current authorizations:											
Salaries and expenses		906		981		1,337	5,600	3,800	1,337		1,800
Salaries and expenses, small defense plants activities		2									
Grants for research and management counseling (indefinite special fund)					$26,146	26,146			2,080	$24,066	24,066
Public enterprise funds:											
Revolving fund	$4,109	64,443	$12,605	100,072	32,374	134,552	200,060	29,384	134,552	49,781	170,616
Revolving fund, small defense plants activities											
Liquidation of Reconstruction Finance Corporation loans (authorization to expend from debt receipts)	−82	40	1,678	2,981	231	934			−2,975	192	[5] 909
Total, Small Business Administration	4,027	65,391	14,283	104,034	58,751	162,969	205,600	33,184	134,994	74,039	197,391
SMITHSONIAN INSTITUTION											
Current authorizations:											
Salaries and expenses		923		1,972		1,723	7,718	6,012	1,720		1,714
Additions to the Natural History Building			219	657	140	189			67	115	122
Museum of History and Technology	34,557	35,800	34,532	35,582	4,782	32,313			14,084	3,700	18,229
Salaries and expenses, National Gallery of Art		111		152		88	1,834	1,737	87		98
Intragovernmental funds:											
Advances and reimbursements	16	39	22	40							
Total, Smithsonian Institution	34,573	36,873	34,773	38,404	4,922	34,319	9,552	7,749	15,958	3,815	20,164
SUBVERSIVE ACTIVITIES CONTROL BOARD											
Current authorizations:											
Salaries and expenses		14		11		15	400	385	15		15
TARIFF COMMISSION											
Current authorizations:											
Salaries and expenses		87		141		89	2,035	1,944	88		91
TAX COURT OF THE UNITED STATES											
Current authorizations:											
Salaries and expenses		62		76		71	1,535	1,458	71		77
TENNESSEE VALLEY AUTHORITY											
Public enterprise funds:											
Tennessee Valley Authority fund (current appropriation)	6,695	102,434	−9,811	66,150	−23,634	34,586	15,286	15,286	−7,408	−31,752	[6] 39,897
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Tennessee Valley Authority fund (authorization to expend from debt receipts)					160,000	198,500			17,500	80,000	181,000
Total, Tennessee Valley Authority	6,695	102,434	−9,811	66,150	136,366	233,086	15,286	15,286	10,092	48,248	220,897

[5] Excludes capital transfer in 1960 of $3,000 thousand.

[6] Excludes capital transfer in 1960 of $2,097 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
UNITED STATES INFORMATION AGENCY											
Current authorizations:											
Salaries and expenses		$25,422		$18,603		$21,150	$106,800	$86,084	$16,916		$24,950
Acquisition and construction of radio facilities	$5,139	5,865	$4,406	5,655	$3,753	15,405	16,400	800	7,000		24,005
Public enterprise funds:											
Informational media guaranty fund:											
Cash		77		62		28	3,500	414	2,855		5
Authorization to expend from debt receipts	5,472	15,013	1,816	11,188	672	9,920				$548	10,174
Total, United States Information Agency	10,611	46,377	6,222	35,508	4,425	46,503	126,700	87,298	26,771	548	59,134
VETERANS ADMINISTRATION											
Current authorizations:											
General operating expenses		8,676		15,189		8,800	163,373	154,308	8,800		9,065
Medical administration and miscellaneous operating expenses		3,071	23	2,823		2,500	23,005	20,250	2,500		2,755
Inpatient care	−581	34,513	110	55,091		36,000	786,779	746,737	36,000		40,042
Outpatient care		6,698		7,396		6,800	83,866	76,726	6,500		7,440
Maintenance and operation of supply depots		92		136		100	2,303	2,186	100		117
Compensation and pensions	25,031	28,562	4,483	6,318		2,000	3,307,000	3,305,000	2,000		2,000
Readjustment benefits	8,512	11,762	32,473	34,470	8,981	10,981	588,000	586,019	10,981		1,981
Veterans insurance and indemnities	14,199	14,199	2,792	2,767	810	810	53,000	53,000	810		
Grants to the Republic of the Philippines	10	10					2,000	2,000			
Construction of hospital and domiciliary facilities	128,294	157,688	108,854	169,328	53,868	143,623	20,159	2,000	53,000	23,914	108,782
Refund of repayments of subsistence allowance (indefinite)	10	10									
Permanent authorizations:											
Veterans insurance and indemnities							655	655			
Public enterprise funds:											
Canteen service revolving fund	3,105	5,622	2,759	5,232	2,642	5,463			−272	2,611	[1] 5,470
Direct loans to veterans and reserves (permanent authorization to expend from debt receipts)	203,478	252,861	97,443	143,522	101,339	149,582	150,000		132,984	117,757	166,597
Rental, maintenance, and repair of quarters	2	6	4	5	4	3				4	3
Service-disabled veterans insurance fund	886	1,120	1,729	2,023	716	1,078			1,078	−429	
Soldiers' and sailors' civil relief	447	447	432	432	522	522			441	82	82
Veterans special term insurance fund	29,438	35,069	43,479	48,805	55,757	59,957			−7,030	63,788	66,987
Vocational rehabilitation revolving fund	317	317	317	317	317	317				317	317
Intragovernmental funds:											
Supply fund	−3,358	8,646	−7,663	23,262	−3,399	8,801			−983	−2,415	9,785
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Inpatient care						64			64		
Maintenance and operation of supply depots						2			2		
Under proposed legislation:											
General operating expenses							5,000	5,000			
Direct loans to veterans and reserves (authorization to expend from debt receipts)									−33,000	33,000	33,000
Total, Veterans Administration	409,791	569,470	287,234	517,116	221,559	437,404	5,185,140	4,953,881	213,975	238,627	454,423
Total, independent offices	8,182,203	11,057,177	9,170,271	12,322,508	8,467,299	12,600,181	9,820,563	7,475,792	1,967,632	8,315,760	12,941,614

[1] Excludes capital transfer in 1960 of $264 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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	$640,468	$2,006,637	$518,206	$2,138,171	$194,375	$2,389,067				$111,374	$2,164,159
Balances of anticipated pay increase supplementals not identified above						−4,726					
Subtotal	640,468	2,006,637	518,206	2,138,171	194,375	2,384,341	$9,112,563	$7,307,940	$1,959,784	111,374	2,164,159
Authorizations to expend from debt receipts	7,035,522	8,396,349	8,106,330	9,442,991	7,519,269	9,156,336				7,437,651	9,146,880
Contract authorizations	58,803	75,500	57,880	113,500	57,880	146,500				27,880	96,500
Revolving and management funds	447,409	578,691	487,856	627,845	535,636	671,115				605,832	[8] 759,887
Proposed for later transmission:											
Appropriations					138	38,662				26	495,188
Balances of anticipated pay increase supplementals not identified above						4,726					
Authorizations to expend from debt receipts					160,000	198,500	708,000	167,852	7,848	113,000	214,000
Contract authorizations										20,000	65,000
Subtotal					160,138	241,883				133,026	774,188
Total, independent offices	8,182,203	11,057,177	9,170,271	12,322,508	8,467,299	12,600,181	9,820,563	7,475,792	1,967,632	8,315,760	12,941,614

[8] Excludes, in 1960, capital transfers of $29,568 thousand and unobligated balance no longer available of $6,138 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$2,006,637	$2,138,171	$2,384,341
Authorizations to expend from debt receipts	8,396,349	9,442,991	9,156,336
Contract authorizations	75,500	113,500	146,500
Revolving and management funds	578,691	627,845	671,115
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	----------	4,726
Other: Appropriations	----------	----------	38,662
Authorizations to expend from debt receipts	----------	----------	198,500
Total balances brought forward	11,057,177	12,322,508	12,600,181
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	8,263,363	9,097,383	8,938,218
Appropriations to liquidate contract authorizations	(25,000)	(30,000)	(50,000)
Authorizations to expend from debt receipts	2,035,000	2,500	3,500
Reappropriations	38,511	77,954	18,000
Total new obligational authority under current authorizations	10,336,873	9,177,837	8,959,718
Permanent authorizations:			
Appropriations	2,685	2,894	2,845
Authorizations to expend from debt receipts	49,571	150,000	150,000
Contract authorizations	63,000	63,000	----------
Total new obligational authority under permanent authorizations	115,256	215,894	152,845
Total new obligational authority enacted or recommended	10,452,129	9,393,731	9,112,563
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	98,416	----------
Other: Appropriations	----------	125,390	643,000
Authorizations to expend from debt receipts	----------	200,000	----------
Contract authorizations	----------	----------	65,000
Total new obligational authority proposed for later transmission	----------	423,806	708,000
Total new obligational authority	10,452,129	9,817,537	9,820,563
Other amounts available:			
Net transfers of balances from other agencies	2,665	25,541	----------
Appropriations available in prior year	----------	−23,987	----------
Appropriations available from subsequent year	23,987	----------	----------
Total other amounts available	26,652	1,554	----------
Total budget authorizations available	21,535,958	22,141,599	22,420,744
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	8,559,930	9,274,523	7,307,940
Out of balances of prior obligational authority			1,959,784
Total expenditures from obligational authority enacted or recommended	8,559,930	9,274,523	9,267,724
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations	----------	93,690	4,726
Other:			
Out of new obligational authority	----------	88,228	167,852
Out of balances of prior obligational authority			3,122
Total expenditures from obligational authority proposed for later transmission	----------	181,918	175,700
Total budget expenditures	8,559,930	9,456,441	9,443,424
Amounts no longer available:			
Unobligated balances expiring and lapsing	595,139	24,345	6,138
Capital transfers from revolving funds to receipt accounts	55,480	60,632	29,568
Adjustment of balances downward in expired accounts, net	2,900	----------	----------
Total amounts no longer available	653,519	84,977	35,706
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	2,138,171	2,384,341	2,164,159
Authorizations to expend from debt receipts	9,442,991	9,156,336	9,146,880
Contract authorizations	113,500	146,500	96,500
Revolving and management funds	627,845	671,115	759,887
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	4,726	----------
Other: Appropriations	----------	38,662	495,188
Authorizations to expend from debt receipts	----------	198,500	214,000
Contract authorizations	----------	----------	65,000
Total balances carried forward at close of year	12,322,508	12,600,181	12,941,614
Obligations incurred, net	$8,840,094	$10,437,086	$9,936,396

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ADVISORY COMMITTEE ON WEATHER CONTROL

Current authorizations:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Evaluation of experiments in weather modification (total obligations)	$90,181		
Financing:			
Unobligated balance no longer available	9,819		
Appropriation (new obligational authority)	100,000		

Object Classification

Total number of permanent positions		5		
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	7.0	$4,608		
01 Personal services:				
Permanent positions		$7,533		
Positions other than permanent		16,637		
Other personal services		293		
Total personal services		24,463		
02 Travel		8,443		
03 Transportation of things		465		
04 Communication services		1,642		
06 Printing and reproduction		21,569		
07 Other contractual services		16,014		
Services performed by other agencies		16,736		
08 Supplies and materials		68		
11 Grants, subsidies, and contributions		460		
15 Taxes and assessments		321		
Total obligations		90,181		

AIRWAYS MODERNIZATION BOARD

NOTE.—Pursuant to the Federal Aviation Act of 1958 (Public Law 85-726) the Board has been transferred to and consolidated with the Federal Aviation Agency.

[ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION]

[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), as amended, $40,000.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$40,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Study of rail and highway routes (total obligations)	$41,395	$50,968	
Financing:			
Unobligated balance brought forward		−18,605	
Unobligated balance carried forward	18,605		
Unobligated balance no longer available		7,637	
Appropriation (new obligational authority)	60,000	40,000	

The Commission was established to study the economic and military feasibility of additional rail and highway connections between the other States and Alaska. Public Law 85-601 increased the authorization of the Commission to $300,000 and provided that its final report to the Congress should be made no later than February 1, 1960. A supplemental appropriation is anticipated for 1959 under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	4	4	
Average number of all employees	3	3	
Number of employees at end of year	4	2	
Average salary of ungraded positions	$9,327	$10,063	
01 Personal services: Permanent positions	$29,139	$25,256	
02 Travel	6,582	12,562	
04 Communication services	980	1,124	
06 Printing and reproduction	837	609	
07 Other contractual services	1,042	9,291	
08 Supplies and materials	502	384	
09 Equipment	432	350	
11 Grants, subsidies, and contributions	1,878	1,392	
15 Taxes and assessments	3		
Total obligations	41,395	50,968	

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Study of rail and highway routes (total obligations)		$122,000	$52,000
Financing:			
Unobligated balance brought forward			−78,000
Unobligated balance carried forward		78,000	26,000
Proposed supplemental appropriation		200,000	

Under existing legislation, 1959.—An additional $200,000 will be required to contract for an economic study of additional transportation needs between the other States and Alaska. The Commission will also request extension of time for completing the study and submitting the final report.

AMERICAN BATTLE MONUMENTS COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, 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 $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] *$1,295,000*: *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. (*General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$1,250,000** Estimate 1960, **$1,295,000**

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AMERICAN BATTLE MONUMENTS COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental administration	$73,536	$92,003	$92,000
2. World War I memorials and cemeteries	394,664	365,915	366,000
3. World War II memorials and cemeteries	752,210	808,082	828,200
4. Latin American memorials and cemeteries	7,822	9,000	8,800
Total obligations	1,228,232	1,275,000	1,295,000
Financing:			
Unobligated balance no longer available	21,768		
New obligational authority	1,250,000	1,275,000	1,295,000
New obligational authority:			
Appropriation	$1,250,000	$1,250,000	$1,295,000
Proposed supplemental due to pay increases		25,000	

The Commission is responsible for the maintenance and operation of all permanent United States Military cemeteries and memorials located in foreign countries. There 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	423	427	438
Full-time equivalent of all other positions	13	21	26
Average number of all employees	436	448	460
Number of employees at end of year	454	454	460
Average GS grade and salary	5.4 $4,639	5.4 $5,001	5.4 $5,026
Average salary of ungraded positions	$1,497	$1,519	$1,490
01 Personal services:			
Permanent positions	$743,471	$805,288	$794,811
Positions other than permanent	20,383	34,850	36,450
Other personal services	91,311	84,938	99,039
Total personal services	855,165	925,076	930,300
02 Travel	48,824	68,038	70,000
03 Transportation of things	10,509	5,000	6,000
04 Communication services	10,873	9,235	9,800
05 Rents and utility services	37,212	38,775	41,400
06 Printing and reproduction	593	5,000	3,900
07 Other contractual services	94,549	78,754	84,800
08 Supplies and materials	96,714	84,468	85,000
09 Equipment	41,893	24,334	25,900
11 Grants, subsidies, and contributions	31,900	36,320	37,900
Total obligations	1,228,232	1,275,000	1,295,000

CONSTRUCTION OF MEMORIALS AND CEMETERIES

During the current fiscal year, not to exceed [$10,000] *$5,000* of funds heretofore appropriated under this head shall be available for travel expenses. (*General Government Matters Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration	$161,589	$141,873	$140,914
2. Construction:			
(*a*) European theater	875,352	455,763	970,000
(*b*) Mediterranean theater	199,825	122,773	49,007
(*c*) Pacific theater	784,700	1,250,921	1,227,376
(*d*) United States	84,393	528,670	112,703
Total obligations	2,105,859	2,500,000	2,500,000
Financing:			
Unobligated balance brought forward	−$6,123,512	−$5,267,653	−$2,767,653
Unobligated balance carried forward	5,267,653	2,767,653	267,653
Appropriation (new obligational authority)	1,250,000		

This is the 11th 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 program also includes memorials on the east and west coasts of the United States and in Hawaii. The Commission estimates that the present program will be completed by April 1961, with all projects except the memorials in New York City and Hawaii to be completed by June 1960.

No additional funds are requested for 1960 since the unobligated balance is sufficient to complete the program.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	61	42	26
Full-time equivalent of all other positions	68	43	10
Average number of all employees	122	85	31
Number of employees at end of year	100	80	20
Average GS grade and salary	5.4 $4,639	5.4 $5,001	5.4 $5,026
Average salary of ungraded positions	$1,497	$1,519	$1,490
01 Personal services:			
Permanent positions	$183,856	$131,155	$84,754
Positions other than permanent	57,436	34,757	10,442
Other personal services	159,848	160,386	135,656
Total personal services	401,140	326,298	230,852
02 Travel	15,166	8,800	5,000
03 Transportation of things	7,539	4,500	600
04 Communication services	68		
05 Rents and utility services	607		
06 Printing and reproduction	1,188	750	550
07 Other contractual services	33,588	15,375	11,455
08 Supplies and materials	9,386	7,880	
09 Equipment	281		
10 Lands and structures	1,629,735	2,129,022	2,247,908
11 Grants, subsidies, and contributions	7,161	7,375	3,635
Total obligations	2,105,859	2,500,000	2,500,000

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 $6,000); official entertainment expenses (not to exceed $30,000); not to exceed [$3,850,000] *$3,550,000* 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 [$46,800,000] *$52,750,000* for personal services; purchase (not to exceed [four hundred and thirty-five] *three hundred and ninety-six, of which three hundred and sixty-six are* for replacement only, including one at not to exceed [$3,500] *$4,000*) and hire of passenger motor vehicles; [$2,397,406,000] *$2,502,000,000*, together with the unexpended balances, as of June 30, [1958] *1959*, 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 U. S. C. 2301)) received by the Commission, notwithstanding the provisions of section

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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 of the funds appropriated herein, $2,000,000 shall be transferred to and merged with funds appropriated to the National Science Foundation: *Provided further,* That $3,000,000 of the funds appropriated in this paragraph shall be available only upon the enactment of S. 4273 or H. R. 13749 for research and development costs in connection with agreements for cooperation with the European Atomic Energy Community: *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; 2153; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$2,397,406,000** Estimate 1960, **$2,502,000,000**
Appropriated (adjusted) 1959, **$2,395,406,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Raw materials	$598,552,988	$696,947,000	$739,600,000
2. Special nuclear materials	567,686,083	561,000,000	581,000,000
3. Weapons	433,279,206	541,770,000	517,000,000
4. Reactor development	308,961,635	372,570,000	393,215,000
5. Physical research	90,585,536	128,870,000	151,480,000
6. Biology and medicine	35,338,070	43,242,000	49,000,000
7. Training, education, and information	15,453,864	15,548,000	14,800,000
8. Isotopes development	44,104	3,000,000	6,100,000
9. Community	17,675,265	16,792,000	15,666,000
10. Program direction and administration	45,945,700	49,803,000	52,000,000
11. Security investigations	7,595,731	7,506,000	7,390,000
12. Other costs	6,470,007	5,585,000	5,673,000
Adjustment to prior year costs	2,030,985		
Total program costs [1]	2,129,619,174	2,442,633,000	2,532,924,000
13. Revenues applied (−)	−32,729,044	−27,720,000	−31,415,000
Total program costs, funded	2,096,890,130	2,414,913,000	2,501,509,000
14. Relation of costs to obligations: Obligations incurred for costs of other years, net	77,284,228	39,303,950	18,491,000
Total program (obligations)	2,174,174,358	2,454,216,950	2,520,000,000
Financing:			
Comparative transfers to other accounts	2,764,843		
1959 appropriation available in 1958	−1,129,167	1,129,167	
Unobligated balance no longer available	77,940,117	18,000,000	
New obligational authority	2,253,750,151	2,473,346,117	2,520,000,000
New obligational authority:			
Appropriation	$2,215,470,000	$2,397,406,000	$2,502,000,000
Transferred to "Salaries and expenses," National Science Foundation (72 Stat. 880)		−2,000,000	
Appropriation (adjusted)	2,215,470,000	2,395,406,000	2,502,000,000
Reappropriation	38,280,151	77,940,117	18,000,000

[1] Includes capital outlay for equipment: 1958, $79,391,473; 1959, $91,834,000; 1960, $94,580,000. See table below.

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 and protection of health against possible hazards arising from atomic energy operations; conducts investigations in the physical and life sciences related to atomic energy, including investigation of controlled thermonuclear reactions; 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 12 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 1960 are estimated at $2,501.5 million, or 3.6% greater than the estimated 1959 net costs of $2,414.9 million, and 19.3% greater than actual net costs of $2,096.9 million for 1958. In 1960, the major increase is for the procurement of larger quantities of raw materials. Other increases occur in civilian and military power and propulsion reactor development, in research in the physical, biological, and medical fields, and for isotope development.

In 1960, as in 1958 and 1959, obligational requirements exceed net program costs, the difference being obligations incurred for which costs will not materialize until future years. The obligations for operating expenses in 1960 total $2,520 million compared to $2,454.2 million in 1959 and $2,174.2 million in 1958.

Included in estimated obligations for 1959 is $4 million requiring authorization prior to use for a research and development program in cooperation with the European Atomic Energy Community (Euratom) which was authorized by the Euratom Cooperation Act of 1958. Additional obligations in the amount of $23.5 million are estimated for 1960. An amendment to the Euratom Cooperation Act of 1958 to authorize appropriation of the 1959 and 1960 amounts will be proposed. A supplemental appropriation of $23.5 million for 1960 (see Proposed for later transmission) is anticipated after the additional authorization has been enacted.

1. *Raw materials.*—Uranium ores and concentrates are procured for processing in the production facilities of the Commission. An estimated 35,835 tons of concentrates will be obtained in 1960, an increase of 2,705 tons over the 33,130 tons estimated to be procured in 1959. Procurement in 1960 will be approximately evenly divided between domestic and foreign sources. 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 development and design of new weapon types; the storage, maintenance, and custody of stockpiled weapons; the maintenance of test areas; and the development and demonstration of nonmilitary uses for nuclear explosives (project Plowshare). Additional production capacity will be in operation in 1960, and production of weapons will continue at the level established in 1959. The 1960 budget provides only for maintenance of weapons test sites on the assumption that an agreement to suspend nuclear weapons testing will be successfully concluded.

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

4. *Reactor development.*—This program includes primarily the development of (*a*) civilian power reactors, including associated work on fuel element development, reactor safety, spent fuel reprocessing, and radioactive residues; (*b*) commercial ship reactors, and (*c*) power and propulsion reactors for a variety of military requirements. Also included is the operation of the National Reactor Testing Station at Arco, Idaho. The costs by major category are:

	1958 actual	*1959 estimate*	*1960 estimate*
Category:			
Civilian power reactors:			
Government program	$71,911,480	$88,640,000	$89,100,000
Cooperative arrangements program	7,234,447	17,473,000	16,495,000
Euratom program	----------	2,000,000	1,000,000
General supporting reactor research and development program	30,297,791	40,288,000	50,900,000
Merchant ship propulsion reactors	1,545,862	4,500,000	5,990,000
Army power reactors	5,377,388	8,000,000	11,000,000
Naval propulsion reactors	90,195,816	90,875,000	93,000,000
Aircraft propulsion reactors	62,221,581	68,540,000	68,700,000
Missile propulsion reactors	12,054,706	22,865,000	25,900,000
Satellite power sources	3,437,113	7,035,000	12,100,000
Operational services and equipment	24,685,451	22,354,000	19,030,000
Total, reactor development	308,961,635	372,570,000	393,215,000

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 powerplants 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.

Costs shown for Euratom are for research and development under a joint program with Euratom for which $3 million was appropriated in 1959. Upon authorization by the Congress of additional appropriations for this cooperative program, a supplemental appropriation of $23.5 million is anticipated (see Proposed for later transmission); of this amount, $8 million would be shown as reactor development program costs in 1960.

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, radioactive residues, and reactor safety. Some of this work is also applicable to military reactor development. Substantial increases are provided for developing improved fuel elements, reactor systems, and reactor safety to accelerate development of economic power.

The Commission's program for 1960 includes the continuation of work to develop atomic powerplants for use in commercial vessels, and particularly for the nuclear-powered merchant ship, the N. S. *Savannah,* now under 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 and missiles and transportable powerplants for the generation of electric power and heat in satellites and at remote military installations. Development of a new improved reactor concept for naval ship propulsion will be started. Many of the advances in military reactor development contribute significantly to the civilian power program.

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. Research and development directed toward the production of power from the controlled fusion of heavy hydrogen nuclei (project Sherwood) will continue. Approximately 72% of the cost of research is for work done in Commission laboratories and 28% 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 radioactivity in the body 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 of utilizing radioactive materials for human welfare, and to the diagnosis, treatment, and understanding of human diseases, such as cancer. Evaluation of the significance of human exposure to radioactivity from all sources 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 550 projects, is supported in more than 220 universities, colleges, hospitals, and independent laboratories. The program includes the operation of several facilities in the United States devoted to cancer research and two laboratories in Japan for the determination of long-term effects of atomic bombs on the population.

7. *Training, education, and information.*—This activity includes operation of special schools; conduct of specialized courses; 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.

Three schools will be operated in 1960: The International Institute of Nuclear Science and Engineering at the Argonne National Laboratory, the Oak Ridge Institute of Nuclear Studies, and the new Puerto Rico Training Center. In addition, specialized courses including radiochemical and counting procedures and reactor hazards and supervisory instruction will be offered at the New York Health and Safety Laboratory and the Oak Ridge National Laboratory and the Shippingport reactor site.

Under the fellowship program in 1960, approximately 150 college graduates will receive assistance for graduate studies in nuclear energy technology. Other fellowships will be offered in the fields of radiological physics, industrial hygiene, and 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 train-

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ing 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 and radiobiology 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. The Commission will arrange in 1960 for nuclear exhibits at selected foreign conferences and exhibitions in order to demonstrate United States technology.

8. *Isotopes development.*—This program is 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. Instruction in radiation technology will be supported through the provision of equipment grants required for laboratory facilities, the offering of summer institutes for industrial personnel at universities, and the presentation of a basic training course in industrial applications of radioisotopes at the Oak Ridge Institute of Nuclear Studies.

9. *Community.*—The Commission operates 3 towns—Oak Ridge, Tenn.; Richland, Wash.; and Los Alamos, N. Mex.—with an estimated total population in 1960 of 69,000, and provides limited community services at other locations. Legislation has been enacted to terminate Government ownership and operation of Oak Ridge and Richland. The city of Richland was incorporated on December 2, 1958, and establishment of a city government at Oak Ridge is anticipated during calendar year 1959. As these city governments assume their normal responsibilities, the transfer of United States Government property and service functions will be effected. Accordingly, the 1960 estimates are based on anticipated disposal of a major portion of Atomic Energy Commission-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, and the Richland school district. 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 $4.6 million in 1960. This relation between costs and revenue, which are included under revenues applied, is indicated in the following table:

	1958 actual	*1959 estimate*	*1960 estimate*
Revenue	$15,513,868	$12,360,000	$11,056,000
Operating costs, including Atomic Energy Commission costs related to disposal	17,675,265	16,792,000	15,666,000
Excess of costs over revenue	2,161,397	4,432,000	4,610,000

10. *Program direction and administration.*—In addition to general management, this activity includes the negotiation and administration of contracts, and the establishment and enforcement of regulations for civilian uses of atomic energy, including the issuance of licenses. Administrative activities represent 2% of total program costs in 1960 compared to 2% in 1959 and 2.2% in 1958. The increase of $2.2 million provides for higher average employment and, for the first time, a full year's cost of maintenance and operation of the expanded Germantown headquarters.

11. *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 whether employed by the Commission, its contractors, or other Government agencies. The number of full background investigations to be completed is estimated at 22,450 for 1960, compared with 23,076 for 1959 and 26,556 for 1958.

12. *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, apart from those which it provides normally for its own basic programs, to industrial organizations and other private parties. 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:

	1958 actual	*1959 estimate*	*1960 estimate*
Costs of products sold	$5,183,287	$3,755,000	$3,706,000
Costs of services performed	1,286,720	1,830,000	1,967,000
Total other funded costs (excluding depreciation)	6,470,007	5,585,000	5,673,000
Related revenues	9,996,342	7,372,000	7,544,000
Excess of revenues over funded costs	3,526,335	1,787,000	1,871,000

13. *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:

	1958 actual	*1959 estimate*	*1960 estimate*
Sale of source and special nuclear materials and related products	$2,289,595	$3,098,000	$5,744,000
Income from lease of materials and consumption charges for special nuclear materials	696,827	1,346,000	2,572,000
Income from sale of steam	309,989	1,200,000	2,175,000
Income from research hospitals	355,758	350,000	350,000
Income from training, education, and information	509,923	470,000	450,000
Income from communities	15,513,868	12,360,000	11,056,000
Income from other products sold and services performed at request of others:			
Products sold	8,644,471	5,431,000	5,255,000
Services performed	1,351,871	1,941,000	2,289,000
Miscellaneous income	3,056,742	1,524,000	1,524,000
Total revenue	32,729,044	27,720,000	31,415,000

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Inventories (goods unconsumed by activities)	$161,331,583	$186,634,182	$193,554,000	$194,466,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	600,073,299	653,182,696	688,575,168	706,154,168
Advances (payments for goods and services on order not yet received)	714,108	2,678,615	----------	----------
Collateral funds and other deposits (insurance collateral, employee benefit and annuity funds, merchandise deposits with vendors and miscellaneous deposits)	24,099,000	21,006,725	20,677,000	20,677,000
Total selected resources at end of year	786,217,990	863,502,218	902,806,168	921,297,168
Selected resources at start of year (−)		−786,217,990	−863,502,218	−902,806,168
Obligations incurred for costs of other years, net		77,284,228	39,303,950	18,491,000

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ATOMIC ENERGY COMMISSION—Continued

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The increase in 1959 over 1958 results from an increase in inventories attributable to higher levels in stores, special reactor materials and isotopes inventories based on program requirements and from an increase in unpaid undelivered orders as a result of the general rise in program levels, particularly in the reactor development program. The increase in 1960 over 1959 is attributable primarily to an increase in unpaid undelivered orders based on higher operating levels for the reactor development program and to funding under this category $7 million of the total 1959 authorization of $20 million for new proposals under the cooperative arrangements program.

15. *Equipment not included in construction projects.*—Equipment not included in construction projects is budgeted for and costed as part of the individual operating programs, and, therefore, such costs are included in the amounts shown for each program on the program and financing schedule.

A tabulation of capital outlays for equipment included in the operating program is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Equipment costs incurred:			
Raw materials	$132,150	$175,000	$105,000
Special nuclear materials	21,144,194	25,210,000	24,507,000
Weapons	27,958,705	33,000,000	33,000,000
Reactor development	18,769,980	20,279,000	17,730,000
Physical research	8,361,141	10,134,000	15,767,000
Biology and medicine	1,600,800	1,820,000	2,012,000
Training, education, and information	401,367	514,000	395,000
Isotopes development			160,000
Community	419.161	366,000	374,000
Program direction and administration	603,975	336,000	530,000
Total	79,391,473	91,834,000	94,580,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
ATOMIC ENERGY COMMISSION			
Total number of permanent positions	7,480	7,360	7.360
Full-time equivalent of all other positions	80	82	71
Average number of all employees	6,865	6,932	6,968
Number of employees at end of year	7,107	6,956	7,077
Average grade and salary, grades established by the Atomic Energy Commission	8.6 $6,350	8.8 $7,231	8.8 $7,316
01 Personal services:			
Permanent positions	$44,373,713	$48,636,000	$49,831,000
Positions other than permanent	452,200	499,000	471,000
Other personal services	1,974,169	2,119,000	2,448,000
Total personal services	46,800,082	51,254.000	52,750,000
02 Travel	2,992,777	3,280,000	3,550,000
03 Transportation of things	6,092,532	7,986,000	7,911,000
04 Communication services	3,817,407	4,135,000	4,721,000
05 Rents and utility services	213,181,121	213,953,000	219,822,000
06 Printing and reproduction	514,533	528,000	576,000
07 Other contractual services	1,160,227,707	1,308,533,219	1,299,414,500
Services performed by other agencies	27,811,726	28,586,000	28,510,000
08 Supplies and materials	612,200,991	709,723,000	769,265,000
09 Equipment	73,121,839	93,342,167	104,999,000
11 Grants, subsidies, and contributions	3,972,652	4,267,000	3,954,000
13 Refunds, awards, and indemnities	94,093	73,000	100,000
15 Taxes and assessments	5,586	7,500	7,500
Unvouchered	18	100,000	100,000
1959 program obligated in 1958	1,129,167	−1,129,167	
Total, Atomic Energy Commission	2,151,962,231	2,424,638,719	2,486,680,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	40	42	42
Full-time equivalent of all other positions	1	1	1
Average number of all employees	38	41	41
Number of employees at end of year	36	43	43
Average GS grade and salary	6.3 $4,968	6.5 $5,565	6.5 $5,582
01 Personal services:			
Permanent positions	$198,117	$242,235	$244,460
Positions other than permanent	4,845	4,000	4,000
Other personal services	22,402	21,300	21,460
Total personal services	225,364	267,535	269,920

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION ACCOUNTS—continued			
02 Travel	$2,253	$1,600	$1,600
03 Transportation of things	−3,270	3,500	3,500
04 Communication services	312	475	400
05 Rents and utility services	24,624	6,947	1,100
06 Printing and reproduction	−28		
07 Other contractual services	21,411,148	29,161,764	32,995,730
Services performed by other agencies	−4,698		
08 Supplies and materials	46,157	35,162	31,500
09 Equipment	330,674	85,153	
11 Grants, subsidies, and contributions	179,610	16,095	16,250
15 Taxes and assessments	−19		
Total, allocation accounts	22,212,127	29,578,231	33,320,000
Total obligations	2,174,174,358	2,454,216,950	2,520,000,000
Obligations are distributed as follows:			
Atomic Energy Commission	$2,151,962,231	$2,424,638,719	$2,486,680,000
Department of State	166,415		
Department of Agriculture: Agricultural Research Service	−4,698		
Department of the Interior:			
Geological Survey	−9,448	337,348	340,000
Bureau of Mines	132,080	153,662	150,000
Navy	−175,073		
Air Force	500,000		
Department of Health, Education, and Welfare: Public Health Service	−599		
Army	21,603,450	29,087,221	32,830,000

PLANT ACQUISITION AND CONSTRUCTION

For expenses of the Commission, as authorized by law, 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; [$249,929,000] *$102,000,000*, to remain available until expended. *(42 U. S. C. 2011; 72 Stat. 490; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$249,929,000** Estimate 1960, **$102,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Facilities for—			
1. Raw materials	$745,381	$416,756	
2. Special nuclear materials	35,090,845	132,094,093	$75,000,000
3. Weapons	48,374,322	58,085,230	
4. Reactor development	100,866,621	210,516,286	18,800,000
5. Physical research	14,772,545	55,646,197	19,025,000
6. Biology and medicine	1,245,068	2,339,702	
7. Training, educaton, and information	2,710,965	1,789,035	
8. Isotopes development		1,600,000	
9. Communities	5,206,757	2,785,745	
10. Administration	4,073,301	650,438	
Total obligations	213,085,805	465,923,482	112,825,000
Financing:			
Unobligated balance brought forward	−308,028,598	−222,864,482	−10,825,000
Unobligated balance transferred from "Access roads, act of September 7, 1950," Bureau of Public Roads, Department of Commerce (67 Stat. 187)	−341,189		
Recovery of prior year obligations	−19,418,000	−3,955,000	
Unobligated balance carried forward	222,864,482	10,825,000	
Appropriation (new obligational authority)	108,162,500	249,929,000	102,000,000

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 1960 only for projects for which appropriations have already been authorized. New obligational authority in the amount of $102,000,000 is being requested in 1960 for such previously authorized projects. Projects authorized under activities 1, 3, 6, 7, 8, 9, and 10 have

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been fully funded, and no additional obligational authority is requested at this time.

Excluded from the 1960 estimated obligations are amounts for projects for which legislative authorization will be sought for 1960 but which has not yet been received. A supplemental appropriation of $126 million is anticipated for these projects after appropriations are authorized (see Proposed for later transmission).

1. *Raw materials.*—This activity provides for minor construction to support the Government-owned procurement installations.

2. *Special nuclear materials.*—This activity provides for additions, modifications, and improvements to the feed materials plants, the gaseous diffusion plants, and the production reactor installations. Obligational authority requested in 1960 will provide funding for previously authorized projects.

3. *Weapons.*—This activity provides for the construction and modification of facilities for the production of weapons, for the storage of completed weapons, and for the development and engineering of new weapon types.

4. *Reactor development.*—This activity provides for 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, prototype power reactors as part of the cooperative arrangements program between the Commission and industry, prototype reactors for military purposes, and construction of testing and development installations. Obligational authority requested in 1960 provides for (*a*) modifications to civilian power reactor experiments and (*b*) continued construction of a land prototype reactor for a destroyer.

5. *Physical research.*—This activity provides for construction of large research machines and laboratory buildings to further research in physics, chemistry, and metallurgy. It includes construction of 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. Obligational authority requested in 1960 provides funding for projects previously authorized including the multibillion electron-volt accelerator at the Argonne National Laboratory, the alternating gradient synchrotron at the Brookhaven National Laboratory, and accelerator improvements at the University of California Radiation Laboratory.

6. *Biology and medicine.*—This activity provides for construction of research facilities for atomic research in the fields of medicine, biology, and biophysics.

7. *Training, education and information.*—This activity provides for construction of minor facilities in connection with the Commission's training program.

8. *Isotopes development.*—This activity provides for construction of facilities for research and development activities directed toward accelerating realization of the potential of radioisotopes.

9. *Communities.*—This activity provides for construction of community facilities in the Commission-operated towns of Richland, Wash., Oak Ridge, Tenn., and Los Alamos, N. Mex.

10. *Administration.*—This activity provides for construction necessary to house the administrative activities of the Commission at headquarters and in the field.

The costs to this appropriation and the financing of these projects are analyzed in the following table:

PROGRAM BY ACTIVITIES

[In thousands]

	Costs to this appropriation					Analysis of 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balances, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete
1. Raw materials	$13,258	$8,413	$3,514	$1,231	$100	$100	-------	-------	-------
2. Special nuclear materials	3,520,059	3,168,609	54,225	80,042	83,351	112,183	$103,832	$75,000	$30,000
3. Weapons	385,708	242,711	43,321	67,712	28,513	31,963	3,450	-------	-------
4. Reactor development	715,895	225,097	82,402	132,736	118,597	183,265	83,468	18,800	73,595
5. Physical research	147,333	23,811	14,706	38,375	35,989	38,786	21,822	19,025	12,630
6. Biology and medicine	20,934	13,380	4,018	1,936	1,000	1,600	600	-------	-------
7. Training, education, and information	4,500	---------	149	2,800	1,551	1,551	--------	-------	-------
8. Isotope development	1,600	--------	-------	300	700	1,300	600	-------	-------
9. Communities	20,281	11,107	2,133	5,487	1,554	1,554	--------	-------	-------
10. Administration	15,551	7,981	5,791	1,679	100	100	--------	-------	-------
11. Unobligated balance applied	---------	---------	------	-------	---------	10,825	--------	−10,825	-------
Estimated lag in construction costs	---------	---------	------	−65,000	---------	65,000	65,000	-------	-------
Total program costs	4,845,119	3,701,109	210,259	267,298	271,455	448,227	278,772	102,000	116,225
12. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	-------	-------	-------	-------	−158,630				
Obligations incurred for costs of other years (unpaid undelivered orders), net	----------	----------	2,827	198,625	---------				
Total program (obligations)	----------	----------	213,086	465,923	112,825				

12. *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 actual	1959 estimate	1960 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)	$305,033,062	$242,732,000	$437,402,000	$278,772,000
Selected resources at start of year (−)		−305,033,062	−242,732,000	−437,402,000
Adjustment due to recovery of prior year obligations		19,418,000	3,955,000	----------
Other adjustments of selected resources reported at start of year		45,709,593	----------	----------
Costs financed from obligations of other years, net (−)		----------	----------	−158,630,000
Obligations incurred for costs of other years, net		2,826,531	198,625,000	----------

Object Classification

		1958 actual	1959 estimate	1960 estimate
	ATOMIC ENERGY COMMISSION			
03	Transportation of things	$226,287	$506,000	----------
04	Communication services	----------	15,000	----------
07	Other contractual services	16,923,542	10,407,000	----------
	Services performed by other agencies	62,109	----------	----------
08	Supplies and materials	120,683	150,000	----------
10	Lands and structures	184,182,359	439,910,224	$112,825,000
11	Grants, subsidies, and contributions	26,931	30,000	----------
	Total, Atomic Energy Commission	201,541,911	451,018,224	112,825,000
	ALLOCATION ACCOUNTS			
	Total number of permanent positions	13	7	----------
	Full-time equivalent of all other positions	2	----------	----------
	Average number of all employees	10	7	----------
	Number of employees at end of year	6	7	----------
	Average GS grade and salary	6.4 $5,033	5.9 $5,120	----------

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

PLANT ACQUISITION AND CONSTRUCTION—Continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
	ALLOCATION ACCOUNTS—continued			
01	Personal services:			
	Permanent positions	$36,625	$31,865	
	Positions other than permanent	9,336		
	Other personal services	295	222	
	Total personal services	46,256	32,087	
02	Travel	5,357	4,500	
03	Transportation of things	4,666	20,000	
04	Communication services	250	200	
05	Rents and utility services	7,920	525	
06	Printing and reproduction	181	25	
07	Other contractual services	566,580	221,575	
08	Supplies and materials	2,289,149	11,676,812	
10	Lands and structures	8,621,381	2,947,441	
11	Grants, subsidies, and contributions	2,001	2,093	
15	Taxes and assessments	153		
	Total, allocation accounts	11,543,894	14,905,258	
	Total obligations	213,085,805	465,923,482	$112,825,000
	Obligations are distributed as follows:			
	Atomic Energy Commission	$201,541,911	$451,018,224	$112,825,000
	Department of Agriculture: Soil Conservation Service	55,688	15,067	
	Department of Commerce:			
	Bureau of Public Roads	697,457	115,169	
	Maritime Administration	7,037,422	1,297,578	
	Department of the Interior: Bureau of Indian Affairs	20,921	1,587	
	Navy	5,494		
	General Services Administration	2,284,520	11,700,000	
	Army	1,442,392	1,775,857	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Operation and maintenance, Army."
"Procurement of equipment and missiles, Army."
"Research, development, test, and evaluation, Army."
"Military construction, Army."
"Ships and facilities, Navy."
"Shipbuilding and conversion, Navy."
"Navy management fund."
"Procurement other than aircraft and missiles, Air Force."
"Ship construction," maritime activities, Department of Commerce.
"Research and development," Office of Civil and Defense Mobilization.
"Mutual security," funds appropriated to the President.

GENERAL PROVISIONS

Any appropriation available under this or any other Act to the Atomic Energy Commission may initially be used subject to limitations in this Act during the fiscal year [1959] *1960* 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 appropriations shall subsequently be made for such costs on the basis of actual application determined in accordance with [general] *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. (*42 U. S. C. 2011; Supplemental Appropriation Act, 1959.*)

Public enterprise funds:

DEFENSE PRODUCTION GUARANTIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administrative expenses (total costs—obligations)	$606	$1,000	$1,000
Financing:			
Amounts becoming available: Revenue and receipts: Guaranty and commitment fees	95,352	65,347	25,741
Unobligated balance brought forward	341,303	436,049	500,396
Total amounts available	436,655	501,396	526,137
Unobligated balance carried forward	−436,049	−500,396	−525,137
Financing applied to program	606	1,000	1,000

Guaranties are given on loans made by private sources to provide construction funds and working capital for defense production plants. At the beginning of 1958 guaranteed credit amounting to $7.4 million was available to 3 borrowers; at year end $5.2 million was available to 3 borrowers. Guaranties of 80% to 95% were in force on these loans. It is estimated that in 1959 and 1960 guaranties will be in force on 5 loans for which the total amount of guaranteed credit available at the end of each year will be $3 million and $1 million, respectively.

Net earnings are retained to meet possible future losses (50 U. S. C. App. 2091 and 2092).

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Administrative expenses	$606	$1,000	$1,000
Receipts from operations (funds provided):			
Guaranty and commitment fees	95,352	65,347	25,741
Budget expenditures	−94,746	−64,347	−24,741

Revenue, Expense, and Retained Earnings

Revenue	$95,352	$65,347	$25,741
Expense	606	1,000	1,000
Net income for the year	94,746	64,347	24,741
Retained earnings, beginning of year	341,303	436,049	500,396
Retained earnings, end of year	436,049	500,396	525,137

Financial Condition

Assets:			
Cash with Treasury	$436,049	$500,396	$525,137
Government investment:			
Retained earnings	436,049	500,396	525,137

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$341,303	$436,049	$500,396	$525,137
Unobligated balance	341,303	436,049	500,396	525,137

NOTE.—U. S. share of guaranties and commitments outstanding are as follows: June 30, 1957, $7,427,391; June 30, 1958, $5,168,807; June 30, 1959, $3,011,180; June 30, 1960, $901,953.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$606	$1,000	$1,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Sale of products	$9,645,085	$6,530,000	$6,500,000
2. Income from services	7,828,650	4,845,000	5,000,000
3. Miscellaneous income	1,971,745	825,000	500,000
Total obligations	19,445,480	12,200,000	12,000,000
Financing:			
Advances and reimbursements from—			
Other accounts	11,362,268	7,500,000	7,500,000
Non-Federal sources (5 U. S. C. 61 (b); 42 U. S. C. 2011)	8,083,212	4,700,000	4,500,000
Total financing	19,445,480	12,200,000	12,000,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	1		
Number of employees at end of year	0		
Average GS grade and salary established by the Atomic Energy Commission	11.0 $7,430		
01 Personal services: Positions other than permanent	$4,064		
02 Travel	8,252		$12,000,000
07 Other contractual services	19,241,566	$12,143,000	
09 Equipment	191,598	57,000	
Total obligations	19,445,480	12,200,000	$12,000,000

Proposed for later transmission:

OPERATING EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Reactor development (total program costs)			$8,000,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net			15,500,000
Total program (obligations)			23,500,000
Financing:			
Proposed supplemental appropriation			23,500,000

Under proposed legislation, 1960.—Public Law 85-846, the Euratom Cooperation Act of 1958, authorized initiation of a joint nuclear power program between the United States and the European Atomic Energy Community. In 1960, additional authorization of appropriations in the amount of $23.5 million will be proposed. Upon enactment, a supplemental appropriation in the same amount is anticipated to finance the research and development participation of and fuel fabrication guaranties by the United States as set forth in the joint program.

2. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders for 1960 is $15,500,000.

PLANT ACQUISITION AND CONSTRUCTION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Facilities for—			
1. Raw materials			$200,000
2. Special nuclear materials			40,960,000
3. Weapons			24,433,000
4. Reactor development			35,350,000
5. Physical research			15,650,000
6. Biology and medicine			2,382,000
7. Training, education, and information			150,000
8. Isotopes development			3,400,000
9. Communities			2,775,000
10. Administration			700,000
Total obligations			126,000,000
Financing:			
Proposed supplemental appropriation			126,000,000

Under proposed legislation, 1960.—New obligational authority in the amount of $126 million is anticipated after congressional consideration of the Commission's request for authorization of additional appropriations for construction. Of this amount, $65.6 million is expected to be proposed for improvements and additions to existing production plants to increase production and safety and decrease unit costs, and for additional weapons production and development facilities. Proposed also are $35.4 million for facilities related to reactor development including 2 army power reactors, modifications for 2 test reactors, and test facilities for missile propulsion; $18 million for research facilities in the physical, biological and medical fields, including a new large research reactor; $3.4 million for facilities for the isotope development program; and $3.6 million for other projects under supporting programs.

CENTRAL INTELLIGENCE AGENCY

Current authorizations:

CONSTRUCTION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, specifications, and supervision	$67,591	$197,000	$263,000
2. Construction of building	496,105	41,128,000	1,450,000
3. Construction of roads	2,331,175	413,298	22,500
Total obligations	2,894,871	41,738,298	1,735,500
Financing:			
Unobligated balance brought forward	−47,138,283	−44,273,412	−2,575,114
Recovery of prior year obligations	−30,000	−40,000	
Unobligated balance carried forward	44,273,412	2,575,114	839,614
Appropriation (new obligational authority)			

1. *Design, specifications, and supervision.*—Plans for the new headquarters installation are virtually complete.

2. *Construction of building.*—From the $54,500,000 appropriated in prior years a contract for the building excavation and foundation was awarded in October 1958 and construction of the building itself is expected to begin in early 1959. Occupancy is scheduled for 1961.

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CENTRAL INTELLIGENCE AGENCY—Continued

Current authorizations—Continued

CONSTRUCTION—Continued

3. *Construction of roads.*—Up to $8,500,000 is available 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 completed in 1959.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	50	34	34
Full-time equivalent of all other positions	3	2	2
Average number of all employees	41	29	29
Number of employees at end of year	48	38	38
Average GS grade and salary	7.0 $4,786	7.2 $5,771	7.2 $5,780
01 Personal services:			
Permanent positions	$194,136	$133,870	$134,150
Positions other than permanent	9,190	7,500	7,500
Other personal services	17,547	7,370	6,820
Total personal services	220,873	148,740	148,470
02 Travel	1,971	6,000	5,000
03 Transportation of things	913	2,000	2,000
04 Communication services	1,043	2,000	2,000
05 Rents and utility services	10,044	10,000	10,000
06 Printing and reproduction	2,687	61,000	6,000
07 Other contractual services	181,282	406,496	260,000
08 Supplies and materials	3,259	1,000	1,000
09 Equipment	377	1,000	1,000
10 Lands and structures	2,459,600	41,090,712	1,445,000
11 Grants, subsidies, and contributions	12,822	9,350	9,350
Subtotal	2,894,871	41,738,298	1,889,820
Deduct portion of foregoing obligations originally charged to object class 07			154,320
Total obligations	2,894,871	41,738,298	1,735,500
Obligations are distributed as follows:			
General Services Administration	$563,696	$41,325,000	$1,713,000
National Park Service, Department of the Interior	2,001,537	22,712	
Bureau of Public Roads, Department of Commerce	329,638	390,586	22,500

CIVIL AERONAUTICS BOARD

Current authorizations:

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;] *and* 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; [$6,050,000: *Provided*, That the Chairman is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place ten General Schedule positions in the following grades: one in grade GS–18, two in grade GS–17, and seven in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said Act] *$7,500,000. (72 Stat. 731–811; 71 Stat. 629; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$6,050,000** Estimate 1960, **$7,500,000**
Appropriated (adjusted) 1959, **$5,948,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Economic regulation	$3,068,936	$3,599,000	$4,460,800
2. Safety activities	1,208,103	1,310,300	1,340,200
3. Legal staff activities	441,261	508,900	558,400
4. Executive direction	380,152	382,200	418,100
5. Administration and service activities	607,524	663,600	722,500
6. 1959 program obligated in 1958	28,813	−28,813	
Total obligations	5,734,789	6,435,187	7,500,000
Financing:			
1959 appropriation available in 1958	−28,813	28,813	
Unobligated balance no longer available	5,224		
New obligational authority	5,711,200	6,464,000	7,500,000
New obligational authority:			
Appropriation	$5,711,200	$6,050,000	$7,500,000
Transferred to "Expenses," Federal Aviation Agency (72 Stat. 731)		−102,000	
Appropriation (adjusted)	5,711,200	5,948,000	7,500,000
Proposed supplemental due to pay increases		516,000	

The Board regulates the economic aspects of air carrier operations, both domestic and international; investigates aircraft accidents; participates in the development of international air transportation; and participates in the development of safety rules and standards. The increase proposed for 1960 is for continuing on a full-year basis the staff increases authorized in 1959 and for additional expansion in certain critical program areas, primarily in the routes, commercial rates, international civil aviation, enforcement 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; prevention of unfair competition; and approval of business relationships between air carriers.

2. *Safety activities.*—These consist of adjudication of complaints alleging violations of Civil Air Regulations; the investigation of civil aircraft accidents involving aircraft of over 12,500 pounds or causing fatalities, the determination of probable cause in all civil aircraft accidents; and the investigation of potential hazards and recommendation of preventive measures to avoid accidents in the future.

3. *Legal staff activities.*—Legal advice and assistance is provided on all aspects of economic, regulatory and safety activities; opinions of the Board are prepared; and litigation matters are handled.

SELECTED WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Certificate and permit applications:			
Filed during year	258	316	331
Disposed of during year	148	357	311
Mail-rate proceedings:			
Completed during year	38	55	37
Pending at end of year	57	24	17
Economic hearings completed	69	75	85
Dockets uncompleted at end of year (exclusive of rate cases)	1,578	1,668	1,718
Field audits (years of carrier operations audited) completed	60	130	93
Safety:			
Aircraft accident investigations completed	373	393	403
Enforcement:			
Economic proceedings completed	1,228	1,420	1,575
Safety proceedings completed	706	756	756

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	715	730	846
Full-time equivalent of all other positions	1		
Average number of all employees	666	705	805
Number of employees at end of year	701	715	825
Average GS grade and salary	9.1 $7,353	9.1 $7,257	9.2 $7,223
1 Personal services:			
Permanent positions	$4,667,691	$5,293,500	$6,021,350
Positions other than permanent	3,751		
Other personal services	44,156	39,600	72,350
Total personal services	4,715,598	5,333,100	6,093,700
02 Travel	230,857	326,900	376,000
03 Transportation of things	7,507	9,700	14,100
04 Communication services	83,259	84,700	91,900
05 Rents and utility services	34,901	54,500	70,700
06 Printing and reproduction	127,823	77,100	127,950
07 Other contractual services	17,630	18,950	21,680
Services performed by other agencies	97,684	103,950	137,370
08 Supplies and materials	58,931	66,500	77,800
09 Equipment	41,884	54,100	95,000
11 Grants, subsidies, and contributions	284,189	329,600	389,000
13 Refunds, awards, and indemnities	3,029	2,500	2,500
15 Taxes and assessments	2,684	2,400	2,300
1959 program obligated in 1958	28,813	−28,813	
Total obligations	5,734,789	6,435,187	7,500,000

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; $40,750,000, to be immediately available and] *Federal Aviation Act of 1958 (72 Stat. 763–765), as is payable by the Board, $62,618,000,* to remain available until expended. *(39 U. S. C. 488 (a); 49 U. S. C. 402, 486: Reorganization Plan No. 10 of 1953: Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$40,750,000** Estimate 1960, **$62,618,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Domestic trunklines	$270	$4,626,948	$79,688
2. Local service operations	32,497,229	40,891,980	50,178,482
3. Helicopter operations	4,099,180	5,594,363	4,868,750
4. Alaskan operations	6,953,804	7,845,300	7,127,994
5. Hawaiian operations	101,501	75,000	400,290
6. International operations	26,972	1,638,054	827,017
Total obligations	43,678,956	60,671,645	63,482,221
Financing:			
1959 appropriation available in 1958	−4,496,498	4,496,498	
Unobligated balance brought forward	−1,852,918		
Recovery of prior year obligations	−101,540	−2,090,755	−247,638
Unfunded obligations against indefinite authorization:			
Brought forward			4,242,388
Transferred to "Proposed for later transmission"		−18,085,000	
Carried forward		−4,242,388	−4,858,971
Appropriation (new obligational authority)	37,228,000	40,750,000	62,618,000

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 the 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 increase proposed for 1960 is primarily for the local service carrier group and reflects additional increased operating costs, estimated additional route awards, and costs associated with the acquisition of new aircraft. Subsidy requirements of Alaskan operations will not be affected by statehood.

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. A supplemental estimate of $18.1 million is anticipated under Proposed for later transmission to liquidate those unfunded obligations which are anticipated to arise during the current fiscal year and for which carriers will have presented bills.

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

	1958 actual	*1959 estimate*	*1960 estimate*
Estimated subsidy earnings under final Board action:			
Domestic trunklines	$2,852,613	$1,228,572	
Local service operations	33,339,400	36,703,699	$48,957,544
Helicopter operations	4,187,670	4,864,000	4,873,000
Alaskan operations	6,989,338	7,313,602	7,127,994
Hawaiian operations	116,160	389,279	
International operations	834,310	830,715	827,017
Total earnings	48,319,491	51,329,867	61,785,555
Earnings in prior years recorded within the year	3,345,081	10,757,498	2,328,774
Reduction of earnings recorded in prior years	−101,542	−2,090,755	−247,638
Earnings of the year recorded in later years	−7,985,616	−1,415,720	−632,108
Total obligations (less recoveries)	43,577,414	58,580,890	63,234,583

The following analysis shows the subsidy outlook for 1960 under final Board actions:

CARRIER UNITS

	Non-subsidized	*Subsidized*	
Domestic:			A small payment will be made to one domestic trunkline in 1960 for 1959 subsidy earnings. Subsidy need for local service and helicopter operations has increased as a result of certification of new feeder services and increasing costs.
Domestic trunklines	12	--	
Local service operations	--	13	
Helicopter operations	--	3	
Territorial:			Subsidy will continue to support routes between continental United States and Alaska and to remote locations.
Alaskan operations	1	7	
Hawaiian operations	2	--	
International	10	1	All international carriers have been in a nonsubsidized status since 1957, with the exception of Braniff Airways' services to South America.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$43,678,956	$60,671,645	$63,482,221

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Economic regulation	$2,549	$1,000	$1,000
2. Safety activities	283	1,000	1,000
3. Legal staff activities	1,585	500	500
4. Executive direction	342	500	500
5. Administration and service	345	500	500
Total obligations	5,104	3,500	3,500
Financing:			
Advances and reimbursement from—			
Other accounts	3,617		
Non-Federal sources (40 U. S. C. 481 (c))	1,487	3,500	3,500
Total financing	5,104	3,500	3,500

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CIVIL AERONAUTICS BOARD—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

		1958 actual	1959 estimate	1960 estimate
01	Personal services:			
	Permanent positions	$1,881		
	Other personal services	1,736		
	Total personal services	3,617		
04	Communication services	3		
09	Equipment	1,484	$3,500	$3,500
	Total obligations	5,104	3,500	3,500

Proposed for later transmission:

PAYMENTS TO AIR CARRIERS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unfunded obligations against indefinite authorization transferred from "Payments to air carriers"		$18,085,000	
Proposed supplemental appropriation		18,085,000	

Under existing legislation, 1959.—This supplemental appropriation is anticipated to liquidate obligations which are estimated to arise from air carrier operations conducted under mail rate orders established by the Board.

CIVIL SERVICE COMMISSION

Current authorizations:

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] *$400* 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] *$77,000* 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 [$472,000] *$560,000* for expenses of travel; and not to exceed $5,000 for actuarial services by contract, without regard to section 3709, Revised Statutes, as amended; [$18,200,000] *$20,165,000.*

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, 740b–740i, 851–869, 901–958, 1010, 1051–1052, 1071–1133, 1151, 2001–2007, 2061–2066, 2121–2123, 2251–2267, 2301–2319; 39 U. S. C. 31a, 31b, 962; 40 U. S. C. 42, 491; 50 U. S. C. App. 459, 2160; 65 Stat. 757; 66 Stat. 122; 68 Stat. 1115; 70 Stat. 721; Executive Orders 9830, Feb. 24, 1947; 10000, Sept. 16, 1948; 10182, Nov. 21, 1950; 10242, May 18, 1951; 10422, Jan. 9, 1953; 10450, Apr. 27, 1953; 10530, May 10, 1954; 10540, June 29, 1954; 10552, Aug. 10, 1954; 10590, Jan. 18, 1955; 10647, Nov. 28, 1955; 10758, Mar. 4, 1958; 10774, July 25, 1958; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$18,200,000** Estimate 1960, **$20,165,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Recruiting and examining	$6,301,023	$6,632,198	$6,716,000
2. Investigation of character and fitness for employment	3,831,816	3,934,000	3,978,000
3. Inspections and classification audits	2,275,358	2,395,000	2,539,000
4. Administration of the retirement systems	2,013,154	2,218,000	2,302,000
5. Developing programs and standards	1,652,851	1,786,000	1,703,000
6. Appellate functions	840,842	835,000	842,000
7. Executive and administrative services	2,020,377	2,022,000	2,060,000
Total program costs	18,935,421	19,822,198	20,140,000
8. Relation of costs to obligations:			
Cost financed from obligations of other years (unpaid undelivered orders), net (−)		−114,504	
Obligations incurred for costs of other years (unpaid undelivered orders), net	186,762		25,000
Total program (obligations)	19,122,183	19,707,694	20,165,000
Financing:			
1959 appropriation available in 1958	−118,306	118,306	
Unobligated balance no longer available	35,623		
New obligational authority	19,039,500	19,826,000	20,165,000
New obligational authority:			
Appropriation	$19,039,500	$18,200,000	$20,165,000
Proposed supplemental due to pay increases		1,626,000	

1. *Recruiting and examining.*—Most appointments in the competitive civil service are made under the open competitive merit system through examinations held by the offices 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. Although total Federal employment will decline somewhat from the 1958 level, new hires will increase in 1959 and 1960 as the turnover rate increases slightly from the unusually low experience of last year. The number of competitive placements is also expected to increase as the amount of direct agency hiring decreases from 53,846 in 1958 to 31,200 in 1960. 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 and pursue the development of new and improved methods and ideas.

PRODUCTION COUNT

	1958 actual	*1959 estimate*	*1960 estimate*
Examinations announced by—			
The Commission	3,922	4,400	4,500
Boards of examiners	5,311	5,200	5,500
Total	9,233	9,600	10,000
Applications processed by—			
The Commission	706,110	592,000	592,000
Boards of examiners	1,032,860	1,205,300	1,326,000
Total	1,738,970	1,797,300	1,918,000
Placements made by—			
The Commission	83,872	71,845	73,000
Boards of examiners	122,836	177,387	189,100
Total	206,708	249,232	262,100

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.

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PRODUCTION COUNT

	1958 actual	1959 estimate	1960 estimate
National agency check and inquiry cases	255,844	265,600	265,600
Suitability cases resulting from national agency check and inquiry	7,759	6,950	6,950
Other personal investigations	6,502	6,600	6,600

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 deposit claims as well as maintaining the control accounts for the fund and making payments to annuitants and other claimants. Public Law 85–465, approved June 25, 1958, providing for annuities to certain widows and widowers, will increase the number of death claims received in 1959. Funds available for 1959 will finance the workloads shown below. However, a much larger workload is anticipated and a supplemental to cover it is proposed for later transmission.

PRODUCTION COUNT

	1957 actual	1958 actual	1959 estimate	1960 estimate
Annuity and death claims	80,621	93,601	128,850	111,100
Refund claims	201,087	210,321	166,970	205,000
Claims for deposit	30,536	42,732	27,075	34,000
Inquiries answered	224,203	228,034	208,400	233,500

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. *Appellate functions.*—These consist of hearing and taking action on appeals; administering the political activities statutes; and providing advice to agencies and individuals regarding rights of appeal.

8. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1957, $101,042; 1958, $287,804; 1959, $173,300; 1960, $198,300.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,810	2,800	2,800
Full-time equivalent of all other positions	18	9	9
Average number of all employees	2,755	2,750	2,749
Number of employees at end of year	2,694	2,760	2,750
Average GS grade and salary	7.1 $5,355	7.1 $5,930	7.1 $5,953
01 Personal services:			
Permanent positions	$15,460,854	$16,381,786	$16,320,420
Positions other than permanent	76,346	46,832	42,495
Other personal services	247,277	81,382	147,085
Total personal services	15,784,477	16,510,000	16,510,000
02 Travel	475,735	472,000	560,000
03 Transportation of things	69,749	79,000	79,000
04 Communication services	580,734	523,000	632,000
05 Rents and utility services	76,618	92,000	92,000
06 Printing and reproduction	410,169	428,000	463,000
07 Other contractual services	141,988	162,600	146,000
Services performed by other agencies	152,184	154,400	166,000
08 Supplies and materials	214,564	240,000	240,000
09 Equipment	126,248	88,000	208,000
11 Grants, subsidies, and contributions	961,432	1,067,000	1,067,000
13 Refunds, awards, and indemnities	7,981	8,000	
15 Taxes and assessments	1,998	2,000	2,000
1959 program obligated in 1958	118,306	−118,306	
Total obligations	19,122,183	19,707,694	20,165,000

Investigation 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), [$350,000] *$412,000*; *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, 1959.*)

Appropriated 1959, **$350,000** Estimate 1960, **$412,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Investigations (total program costs)	$488,711	$352,614	$412,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	3,418	2,386	
Total program (obligations)	492,129	355,000	412,000
Financing:			
Unobligated balance no longer available	871		
New obligational authority	493,000	355,000	412,000
New obligational authority:			
Appropriation	$493,000	$350,000	$412,000
Proposed supplemental due to pay increases		5,000	

This appropriation is used primarily to pay the Civil Service Commission and the Federal Bureau of Investigation for conducting investigations of United States citizens considered for employment in international organizations of which the United States Government is a member. 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: 1957, $19,796; 1958, $23,214; 1959, $25,600; 1960, $25,600.

Workload receipts for 1959 are expected to exceed levels which can be covered by funds available and a supplemental appropriation is anticipated under Proposed for later transmission.

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CIVIL SERVICE COMMISSION—Continued

Current authorizations—Continued

INVESTIGATION OF UNITED STATES CITIZENS FOR EMPLOYMENT BY INTERNATIONAL ORGANIZATIONS—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions	1	1	1
Average number of all employees	6	6	6
Number of employees at end of year	11	12	12
Average GS grade and salary	7.1 $5,355	7.1 $5,930	7.1 $5,953
01 Personal services:			
Permanent positions	$35,191	$38,153	$36,022
Positions other than permanent	12,855	15,700	14,800
Other personal services	135	147	278
Total personal services	48,181	54,000	51,100
02 Travel	2,634	5,200	5,200
04 Communication services	435	700	700
06 Printing and reproduction	122	150	150
07 Other contractual services	591	1,200	1,200
Services performed by other agencies	436,976	290,900	350,800
11 Grants, subsidies, and contributions	2,194	2,600	2,600
13 Refunds, awards, and indemnities	725		
15 Taxes and assessments	271	250	250
Total obligations	492,129	355,000	412,000

ANNUITIES[, PANAMA CANAL CONSTRUCTION EMPLOYEES AND LIGHTHOUSE SERVICE WIDOWS] *UNDER SPECIAL ACTS*

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), $2,300,000], *as amended (33 U. S. C. 771–775), $2,450,000. (Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$2,300,000** Estimate 1960, **$2,450,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. To employees engaged in construction of the Panama Canal	$2,102,759	$2,050,000	$2,046,300
2. To widows of former employees of the Lighthous Service	287,907	250,000	403,700
Total program (costs—obligations)	2,390,666	2,300,000	2,450,000
Financing:			
Unobligated balance no longer available	334		
Appropriation (new obligational authority)	2,391,000	2,300,000	2,450,000

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.

New legislation and a greater number of recipients than anticipated have raised payment levels beyond what funds available will cover. A supplemental is anticipated under Proposed for later transmission

	June 30, 1958	*June 30, 1959*	*June 30, 1960*
Panama Canal annuitants	2,275	2,120	1,960
Lighthouse Service widows	408	431	439

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$2,390,666	$2,300,000	$2,450,000

LIMITATION ON ADMINISTRATIVE EXPENSES, EMPLOYEES' LIFE INSURANCE FUND

(Trust fund)

Not to exceed [$123,800] *$70,000* 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 *sections 2 through 9 and 11 through 13 of* the Federal Employees' Group Life Insurance Act. *(5 U. S. C. 2091–2098, 2100–2102). (Independent Offices Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration of the basic insurance program (total obligations)	$61,608	$65,400	$70,000
Financing:			
Unobligated balance no longer available	62,192	58,400	
Limitation	123,800	123,800	70,000

Administration of the basic insurance program.—These are expenses incurred by the Civil Service Commission in the administration of the basic Federal Employees' Group Life Insurance Act (5 U. S. C. 2091–2098, 2100–2102). The use of these funds is reflected in the schedule for advances and reimbursements.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$61,262	$65,400	$70,000
09 Equipment	346		
Total obligations	61,608	65,400	70,000

[CIVIL SERVICE RETIREMENT AND DISABILITY FUND]

[No part of the moneys now or hereafter contained in the civil service retirement and disability fund shall be applied toward the payment of any increase in annuity benefits or any new annuity benefits under the Act approved May 22, 1920, and Acts amendatory thereof (5 U. S. C., ch. 30) which may be authorized by amendment to said Acts after the enactment of this Act until and unless an appropriation is made to such fund in an amount estimated by the Civil Service Commission to be sufficient to prevent an immediate increase in the unfunded accrued liability of said fund.] *(Independent Offices Appropriation Act, 1959.)*

Intragovernmental funds:

INVESTIGATIONS, REVOLVING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Cost of services performed	$9,643,233	$8,921,000	$8,229,250
Net gain (—) from sale of fixed assets	—26,345	—5,000	—2,500
Unfunded adjustments to total operating costs:			
Depreciation included above (—)	—107,346	—110,500	—109,250
Net gain from sale of fixed assets	26,345	5,000	2,500
Writeoff of equipment included above (—)	—3,105	—5,000	—2,500
Total operating costs, funded	9,532,782	8,805,500	8,117,500
Capital outlay: Purchase of equipment	160,440	90,000	5,000
Total program costs, funded	9,693,222	8,895,500	8,122,500
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—62,099	—37,500
Obligations incurred for costs of other years, net	324,564		
Total program (obligations)	10,017,786	8,833,401	8,085,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Sales of services	$9,621,957	$8,916,000	$8,226,750
Proceeds from sale of equipment	2,978		
Increase or decrease (−) in accepted orders on hand	372,238	−49,562	−37,500
Total amounts becoming available	9,997,173	8,866,438	8,189,250
Unobligated balance brought forward	3,607,489	3,577,288	3,605,256
Total amounts available	13,604,662	12,443,726	11,794,506
Capital transfers to Treasury:			
Payment of earnings to Treasury (−)	−9,442	−5,069	
Repayment of investment to Treasury (−)	−146		
Unobligated balance carried forward	−3,577,288	−3,605,256	−3,709,506
Financing applied to program	10,017,786	8,833,401	8,085,000

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).

Budget program.—Because work on some investigations will be started in one year and completed in another, work-in-process is recognized as an asset of the fund. Agency estimates of investigations to be requested in 1959 and 1960 as compared to 1958 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

	1958 actual	*1959 estimate*	*1960 estimate*
On hand, beginning of year	6,788	4,195	3,595
Received	30,064	26,000	24,250
Total workload	36,852	30,195	27,845
Processed	32,657	26,600	24,550
On hand, end of year	4,195	3,595	3,295
Average positions	1,338	1,109	1,022
Unit cost	$314	$335	$335

The estimated increase in costs for 1959 and 1960 results to a great extent, from the new salary schedules which are reflected in Public Law 85-462, approved June 20, 1958.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Advances	$65,629	$53,793	$45,000	$45,000
Work-in-process	126,699	498,937	449,375	411,875
Unpaid undelivered orders	64,582	28,744	25,000	25,000
Total selected resources at end of year	256,910	581,474	519,375	481,875
Selected resources at start of year (−)		−256,910	−581,474	−519,375
Costs financed from obligations of other years, net (−)			−62,099	−37,500
Obligations incurred for costs of other years, net		324,564		

Operating results and financial conditions.—The capital of the fund consists of $4 million appropriated in 1952. Excess earnings are paid into miscellaneous receipts of the Treasury.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$160,440	$90,000	$5,000
Expense	9,905,020	8,755,938	8,080,000
Increase in selected working capital		330,426	
Total gross expenditures	10,065,460	9,176,364	8,085,000

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Revenue	$9,621,957	$8,916,000	$8,226,750
Proceeds from sales of equipment	2,978		
Decrease in selected working capital	81,411		17,494
Total receipts from operations	9,706,346	8,916,000	8,244,244
Budget expenditures	359,114	260,364	−159,244

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$9,621,957	$8,916,000	$8,226,750
Expense	9,643,233	8,921,000	8,229,250
Net operating loss (−), sales program	−21,276	−5,000	−2,500
Nonoperating income:			
Proceeds from sales of fixed assets	2,978		
Allowances on equipment traded	43,832	30,000	7,500
Net book value of equipment sold (−)	−20,465	−25,000	−5,000
Net gain from sales	26,345	5,000	2,500
Net income for the year	5,069		
Analysis of retained earnings:			
Retained earnings, beginning of year	9,442	5,069	
Payment of earnings to Treasury (−)	−9,442	−5,069	
Retained earnings, end of year	5,069		

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$3,398,934	$3,133,501	$3,292,745
Accounts receivable, net	1,143,307	1,113,875	1,028,031
Advances	53,793	45,000	45,000
Work-in-process	498,937	449,375	411,875
Equipment, net	345,244	324,744	220,494
Total assets	5,440,215	5,066,495	4,998,145
Liabilities:			
Current	1,435,146	1,066,495	998,145
Government investment:			
Non-interest-bearing capital:			
Start of year	4,000,146	4,000,000	4,000,000
Repayment of investment to Treasury (−)	−146		
End of year	4,000,000	4,000,000	4,000,000
Retained earnings	5,069		
Total Government investment	4,005,069	4,000,000	4,000,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$3,767,636	$3,398,934	$3,133,501	$3,292,745
Unobligated balance, net:				
Current liabilities	1,426,212	1,435,146	1,066,495	998,145
Unpaid undelivered orders	64,582	28,744	25,000	25,000
Accounts receivable net (−)	−1,203,948	−1,143,307	−1,113,875	−1,028,031
Accepted orders on hand (−)	−126,699	−498,937	−449,375	−411,875
Total obligated balance	160,147	−178,354	−471,755	−416,761
Unobligated balance	3,607,489	3,577,288	3,605,256	3,709,506

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,625	1,218	1,125
Full-time equivalent of all other positions	7		
Average number of all employees	1,338	1,109	1,022
Number of employees at end of year	1,161	1,075	1,000
Average GS grade and salary	7.1 $5,355	7.1 $5,930	7.1 $5,953
01 Personal services:			
Permanent positions	$7,447,280	$6,634,650	$6,097,700
Positions other than permanent	26,554		
Other personal services	128,869	108,300	104,400
Total personal services	7,602,703	6,742,950	6,202,100

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CIVIL SERVICE COMMISSION—Continued

Intragovernmental funds—Continued

INVESTIGATIONS, REVOLVING FUND—Continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
02	Travel	$1,211,602	$1,019,988	$942,750
03	Transportation of things	44,304	38,500	36,200
04	Communication services	86,349	75,025	62,825
	Penalty mail	29,444	25,600	31,775
05	Rents and utility services	103,026	89,550	84,250
06	Printing and reproduction	28,691	24,975	23,475
07	Contractual services	216,147	211,900	208,650
08	Supplies and materials	105,194	91,400	85,975
09	Equipment	160,440	90,000	5,000
	Expendable	581	3,200	3,000
11	Grants, subsidies, and contributions	476,363	432,300	398,500
15	Taxes and assessments	616	550	500
	Total accrued expenditures	10,065,460	8,845,938	8,085,000
	Decrease (—) in unpaid undelivered orders and travel advances	−47,674	−12,537	
	Total obligations	10,017,786	8,833,401	8,085,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administrative expenses for full field security investigation program	$153,745	$168,000	$168,000
2. Administration of Government employees' life insurance program	135,110	293,500	258,000
3. Miscellaneous services to other agencies	123,689	69,400	69,400
Total obligations	412,544	530,900	495,400
Financing:			
Advances and reimbursements from—			
Other accounts	400,748	530,900	495,400
Non-Federal sources (40 U. S. C. 481 (c); 5 U. S. C. 61 (b))	11,796		
Total financing	412,544	530,900	495,400

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	70		87		84	
	Average number of all employees	65		80		78	
	Number of employees at end of year	69		83		75	
	Average GS grade and salary	7.1	$5,355	7.1	$5,930	7.1	$5,953
01	Personal services:						
	Permanent positions		$337,499		$423,770		$411,230
	Other personal services		1,634		1,630		3,170
	Total personal services		339,133		425,400		414,400
02	Travel		4,527		1,000		1,000
04	Communication services		5,591		19,700		22,000
05	Rents and utility services		8,966		14,000		14,000
06	Printing and reproduction		10,971		10,400		12,000
07	Other contractual services		4,829		30,000		500
08	Supplies and materials		4,337		2,700		4,500
09	Equipment		12,941				
11	Grants, subsidies, and contributions		21,249		27,700		27,000
	Total obligations		412,544		530,900		495,400

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration of the retirement systems		$100,000	
2. Furniture and equipment		117,000	
3. Travel		28,000	
Total program (costs—obligations)		245,000	
Financing:			
Proposed supplemental appropriation		245,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to cover the costs of increased retirement workload resulting from new legislation, of furnishing new space in Washington, D. C., and New York City, and of increased rates for per diem and mileage allowances.

INVESTIGATION OF UNITED STATES CITIZENS FOR EMPLOYMENT BY INTERNATIONAL ORGANIZATIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Investigations (total costs—obligations)		$138,000	
Financing:			
Proposed supplemental appropriation		138,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to cover the cost of workload receipts which are expected to exceed previous estimates.

ANNUITIES UNDER SPECIAL ACTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. To employees engaged in construction of the Panama Canal		$125,000	
2. To widows of former employees of the lighthouse service		145,000	
Total program (costs—obligations)		270,000	
Financing:			
Proposed supplemental appropriation		270,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to cover uncontrollable costs resulting from new legislation and from claims receipts which are expected to exceed previous estimates.

COMMISSION ON CIVIL RIGHTS

Current authorizations:

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] *$288,000.* (*General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$750,000** Estimate 1960, **$288,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Investigation and study of civil rights matters (total program costs)		$766,500	$311,500
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)			−23,500
Obligations incurred for costs of other years (unpaid undelivered orders), net		23,500	
Total program (obligations)		790,000	288,000
Financing:			
New obligational authority		790,000	288,000
New obligational authority:			
Appropriation		$750,000	$288,000
Proposed supplemental due to pay increases		40,000	

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1. *Investigation and study of civil rights matters.*—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. Under present law the Commission's final report to the President and Congress is due by September 9, 1959. The Commission ceases to exist 60 days thereafter. Legislation will be submitted to Congress extending the life of the Commission and a supplemental appropriation is anticipated under Proposed for later transmission.

2. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders for 1959 is $23,500.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		53	53
Full-time equivalent of all other positions		3	1
Average number of all employees		53	21
Number of employees at end of year		50	0
Average GS grade and salary		9.3 $7,564	9.3 $7,593
01 Personal services:			
Permanent positions		$394,000	$154,000
Positions other than permanent		37,500	14,500
Other personal services		3,800	1,500
Total personal services		435,300	170,000
02 Travel		148,000	50,000
03 Transportation of things		400	100
04 Communication services		26,000	15,000
05 Rents and utility services		2,000	
06 Printing and reproduction		17,500	52,500
07 Other contractual services		7,000	8,400
Services performed by other agencies		95,300	
08 Supplies and materials		5,000	4,000
09 Equipment		2,000	1,000
11 Grants, subsidies, and contributions		24,000	9,000
15 Taxes and assessments		4,000	1,500
Total costs		766,500	311,500
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−23,500
Obligations incurred for costs of other years (unpaid undelivered orders), net		23,500	
Total obligations		790,000	288,000

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Investigation and study of civil rights matters (total costs—obligations)			$500,000
Financing:			
Proposed supplemental appropriation			500,000

Under proposed legislation, 1960.—Proposed legislation will be transmitted to the Congress recommending that the Commission on Civil Rights be extended. Under current provisions of law, the Commission is required to make its final report to the President and Congress by September 9, 1959, and will cease to exist 60 days thereafter. The extension will enable the Commission to make more thorough investigation and study within the terms of the act, and to submit a more complete and comprehensive report.

COMMISSION ON GOVERNMENT SECURITY

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Study of Government security program (total obligations)	$71,187		
Financing:			
Unobligated balance no longer available	81,558		
Reappropriation (new obligational authority)	152,745		

Object Classification

Undistributed	$71,187		

COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Commission on International Rules of Judicial Procedure (total obligations)		$15,000	$60,000
Financing:			
Unobligated balance brought forward			60,000
Unobligated balance carried forward		60,000	
Proposed supplemental appropriation		75,000	

Under existing legislation, 1959.—A 1959 supplemental appropriation is anticipated to finance the work of this Commission which was established by Public Law 85–906, approved September 2, 1958.

EXPORT-IMPORT BANK OF WASHINGTON

The [following corporation] *Export-Import Bank of Washington* 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 [1959] *1960* for such corporation, except as hereinafter provided: (*Supplemental Appropriation Act, 1959.*)

Public enterprise funds:

EXPORT-IMPORT BANK OF WASHINGTON FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Loan and guaranty program:			
Direct loan commitments:			
Development project loans	$487,097,495	$606,032,800	$600,481,000
Exporter loans	17,422,630	21,000,000	17,000,000
Commodity loans	178,449,550	194,127,200	170,219,000
Emergency foreign trade loans	124,750,000	221,000,000	220,000,000

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EXPORT-IMPORT BANK OF WASHINGTON—Con.

Public enterprise funds—Continued

EXPORT-IMPORT BANK OF WASHINGTON FUND—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
1. Loan and guaranty program—Con.			
Guaranteed loan commitments:			
Development project loans		$57,967,200	$57,519,000
Exporter loans		2,000,000	6,000,000
Commodity loans	$8,550,450	61,872,800	83,781,000
Emergency foreign trade loans	40,750,000		
Total loan commitments	857,020,125	1,164,000,000	1,155,000,000
Reservations at beginning of year	227,323,880	140,584,125	92,000,000
Reservations at close of year (−)	−140,584,125	−92,000,000	−208,000,000
Total loan and guaranty program	943,759,880	1,212,584,125	1,039,000,000
2. Insurance	41,794,979	50,000,000	50,000,000
3. Administration:			
Expenses subject to limitation	1,987,001	2,215,447	2,500,000
Other expenses	129,775	103,753	119,200
Purchase of equipment—capitalized	39,308	45,000	40,000
Total administration	2,156,084	2,364,200	2,659,200
4. Interest on borrowings from Treasury	30,160,550	37,500,000	42,400,000
Total program (obligations)	1,017,871,493	1,302,448,325	1,134,059,200
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	2,000,000,000		
Revenue and receipts:			
Collection of loans	313,985,051	339,556,092	486,400,000
Loans sold	96,444,813	100,000,000	100,000,000
Interest revenue from loans	101,286,839	121,600,000	132,600,000
Insurance premiums	43,934	50,000	50,000
Recovery of prior year obligations	184,608,507	185,161,954	343,714,200
Total amounts becoming available	2,696,369,144	746,368,046	1,062,764,200
Unobligated balance brought forward (authorization to expend from public debt receipts)	1,567,717,628	3,223,715,279	2,645,135,000
Total amounts available	4,264,086,772	3,970,083,325	3,707,899,200
Capital transfers (payment of dividend to Treasury (−)	−22,500,000	−22,500,000	−22,500,000
Unobligated balance carried forward (authorization to expend from public debt receipts) (−)	−3,223,715,279	−2,645,135,000	−2,551,340,000
Financing applied to program	1,017,871,493	1,302,448,325	1,134,059,200

The Export-Import Bank of Washington facilitates the financing of United States exports and imports. To do this it participates in or guarantees credits extended by United States exporters, commercial banks, and other financial institutions to foreign purchasers of exports from the United States. It makes direct loans to finance United States exports and imports. It also insures certain exports on consignment against risks of war and expropriation. The total amount of loans, guaranties, and insurance which the Bank may have outstanding at one time is $7 billion (12 U. S. C. 635).

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 purposes or projects. No loan is made unless the Directors believe it has reasonable assurance of repayment.

Budget programs—Development project loans.—A major portion of the Bank's assistance for the exportation of United States materials, equipment, and services is 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 58 loans will be authorized by the Bank during 1960 to finance exports for such projects abroad involving power, agriculture, transportation, and industrial development.

DATA ON DEVELOPMENT PROJECT LOANS

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Export-Import Bank funds:			
Credit authorizations	$487.1	$606.0	$600.5
Loan disbursements	334.3	358.2	430.4
Loan principal repayments	116.9	128.4	139.3
Loans sold	4.1	68.0	181.4
Loans outstanding June 30	1,269.0	1,399.0	1,508.7
Guaranteed loans:			
Credit authorizations	-------	58.0	57.5
Loan disbursements	-------	5.0	60.0
Loan principal repayments	1.1	.5	1.5
Loans outstanding June 30	1.0	5.5	198.4

Exporter loans.—Medium-term credits requested by exporters are authorized on a case-by-case basis to assist United States manufacturers and exporters to sell abroad on deferred payments. Under each of these credits the Bank participates with an exporter or a United States bank in jointly financing an export sale. Such loans authorized in 1958 included credits to finance a wide range of capital goods shipped to countries throughout the world.

Some exporter credits are arranged on an individual basis, whereas others are provided under exporter credit lines. The Bank has continued to establish and renew exporter 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 criteria on the type of export and the credit standing of the importer are met.

DATA ON EXPORTER LOANS

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Export-Import Bank funds:			
Credit authorizations	$17.4	$21.0	$17.0
Loan disbursements	30.1	30.0	35.7
Loan principal repayments	15.2	17.3	22.7
Loans sold	1.1	2.0	3.0
Loans outstanding June 30	58.5	69.1	79.1
Guaranteed loans:			
Credit authorizations	-----	2.0	6.0
Loan disbursements	.6	1.8	5.0
Loan principal repayments	1.8	2.2	3.9
Loans outstanding June 30	2.8	2.4	3.5

Commodity loans.—Credits are authorized by the Bank to finance the sale abroad of United States commodities such as cotton, wheat, barley, soybeans, and 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]

	1958 actual	*1959 estimate*	*1960 estimate*
Export-Import Bank funds:			
Loan authorizations	$178.4	$194.1	$170.2
Loan disbursements	150.4	158.8	110.0
Loan principal repayments	61.4	25.3	138.4
Loans sold	91.2	30.0	50.0
Loans outstanding June 30	58.4	161.9	83.5
Guaranteed loans:			
Loan authorizations	8.6	61.9	83.8
Loan disbursements	8.6	18.4	115.0
Loan principal repayments	3.1	9.2	75.0
Loans outstanding June 30	8.5	17.7	57.7

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. The estimate of emergency credits for 1959 is $221 million, and $220 million for 1960.

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Substantial emergency credits to European countries were disbursed during the years immediately following World War II, and have been established in favor of some Latin American countries following the recent decline in earnings by raw material exporting countries.

DATA ON EMERGENCY FOREIGN TRADE LOANS

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Export-Import Bank funds:			
Credit authorizations	$165.5	$221.0	$220.0
Loan disbursements	332.0	223.5	231.0
Loan principal repayments	120.5	177.4	185.9
Loans outstanding June 30	1,642.1	1,688.1	1,733.2

Insurance.—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 1,194 policies were issued by the Bank in 1958 covering 246,681 bales of cotton valued at $41,794,979. Early in 1959 the coverage was expanded to include tobacco. It is estimated that policies covering cotton and tobacco to a value of $50,000,000 will be issued in 1960.

Administrative expenses.—The administrative expense limitation proposed by the Bank to cover its needs for 1960 is $2,500,000, an increase of $284,553 over 1959. The estimated additional costs are for personal services and other administrative costs attributable to expanded operations.

Other operations.—The Bank 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 Civil and Defense Mobilization. It also acts as collecting agent for the Treasury on the debt settlement agreement with the Federal Republic of Germany.

Financing.—The Bank is a Government-owned corporation in which the Treasury has invested $1 billion in capital stock. It can borrow up to $6 billion from the Treasury on a revolving basis. On June 30, 1958, the amount borrowed from the Treasury was $1,508 million. Notes outstanding on June 30, 1960, are expected to be increased to $1,802.8 million.

On June 30, 1960, the total amount committed is estimated to be $5,404.5 million, leaving a margin of $1,595.5 million for additional commitments. It is estimated that the unobligated balance at June 30, 1960, of the Bank's authorization to borrow from the Treasury will be $2,551.3 million.

POSITION WITH RESPECT TO LENDING, GUARANTY, AND INSURANCE AUTHORITY

	1958 actual	*1959 estimate*	*1960 estimate*
Statutory authority	$7,000,000,000	$7,000,000,000	$7,000,000,000
Charges against authority:			
Direct loans outstanding	3,029,191,832	3,332,600,000	3,518,500,000
Guaranteed loans outstanding	11,082,923	11,100,000	145,500,000
Undisbursed loan commitments:			
Agreements executed	1,283,755,250	1,589,300,000	1,527,500,000
Agreements not executed	140,584,125	92,000,000	208,000,000
Unexpired insurance policies	3,306,468	5,000,000	5,000,000
Total charges against authority	4,467,920,598	5,030,000,000	5,404,500,000
Unused authority[1]	2,532,079,402	1,970,000,000	1,595,500,000

[1] Includes administrative reserve for insurance: 1958, $46,693,532; 1959, $45,000,000; 1960, $45,000,000.

Operating results and financial condition.—During 1960 the net income of the Bank is expected to amount to $87.6 million. The budget provides for continuation of dividend payments to Treasury of $22.5 million annually through 1960 in lieu of interest on the Treasury investment in the Bank's capital stock. The remaining earnings are retained to meet future contingencies. Net investment of the Government in the corporation is expected to be $3,436.7 million at the end of 1960, consisting of $1 billion in capital stock, $1,802.8 million of borrowings from Treasury, and $633.9 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 $250 million in 1959. In 1960 it is estimated that collections and sales of loans will equal disbursements resulting in no net budget expenditure.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loan and guaranty program:			
Acquisition of loans	$822,575,125	$770,300,000	$807,100,000
Acquisition of equipment	39,308	45,000	40,000
Expense	32,244,770	39,780,000	44,979,000
Reimbursable expense	34,560	64,000	65,200
Insurance program: Expense	17,012	19,200	19,200
Increase in selected working capital	2,883,163	1,067,374	1,311,800
Total gross expenditures	857,793,938	811,275,574	853,515,200
Receipts from operations (funds provided):			
Loan and guaranty program:			
Loans repaid	313,985,051	339,556,092	486,400,000
Loans sold	96,444,813	100,000,000	234,400,000
Revenue	101,286,839	121,600,000	132,600,000
Reimbursement of expense	34,560	64,000	65,200
Insurance program: Revenue	43,934	50,000	50,000
Total receipts from operations	511,795,197	561,270,092	853,515,200
Budget expenditures	345,998,741	250,005,482	

Revenue, Expense, and Retained Earnings

Loan and guaranty program:			
Revenue	$101,286,839	$121,600,000	$132,600,000
Expense	32,260,710	39,800,000	45,000,000
Losses on loans	2,500,000		
Net operating income, loan and guaranty program	66,526,129	81,800,000	87,600,000
Insurance program:			
Revenue	43,934	50,000	50,000
Expense	17,012	19,200	19,200
Net operating income, insurance program	26,922	30,800	30,800
Net income for the year	66,553,051	81,830,800	87,630,800
Analysis of retained earnings:			
Retained earnings, beginning of year	465,418,095	509,471,146	568,801,946
Payment of dividend to Treasury (−)	−22,500,000	−22,500,000	−22,500,000
Retained earnings, end of year	509,471,146	568,801,946	633,932,746

Financial Condition

Assets:			
Cash with Treasury and in banks	$5,205,483	$5,000,000	$5,000,000
Accounts receivable	29,420,472	31,110,990	33,002,790
Supplies	3,333	5,000	5,000
Loans receivable	3,029,191,832	3,332,600,000	3,518,500,000
Furniture and equipment, net	110,956	135,956	154,956
Total assets	3,063,932,576	3,368,851,946	3,556,662,746
Liabilities:			
Current	4,625,689	5,250,000	5,830,000
Loans disbursed by commercial banks	41,835,741	14,500,000	114,100,000
Total liabilities	46,461,430	19,750,000	119,930,000
Government investment:			
Interest-bearing capital:			
Start of year	1,178,000,000	1,508,000,000	1,780,300,000
Borrowings from Treasury during year, net	330,000,000	272,300,000	22,500,000
End of year	1,508,000,000	1,780,300,000	1,802,800,000
Non-interest-bearing capital: Capital stock	1,000,000,000	1,000,000,000	1,000,000,000
Retained earnings	509,471,146	568,801,946	633,932,746
Total Government investment	3,017,471,146	3,349,101,946	3,436,732,746

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EXPORT-IMPORT BANK OF WASHINGTON—Con.

Public enterprise funds—Continued

EXPORT-IMPORT BANK OF WASHINGTON FUND—Continued

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$43,704,224	$5,205,483	$5,000,000	$5,000,000
Budget authorization	2,822,000,000	4,492,000,000	4,219,700,000	4,197,200,000
Total unexpended balance	2,865,704,224	4,497,205,483	4,224,700,000	4,202,200,000
Obligated balance, net:				
Current liabilities	2,640,016	4,625,689	5,250,000	5,830,000
Undisbursed commitments:				
Unpaid undelivered orders	15,095	20,345	25,990	32,790
Guaranteed bank loans	8,117,756	11,082,923	11,100,000	145,500,000
Guaranteed letters of credit	56,490,985	197,781,384	150,000,000	150,000,000
Commitments for loans	1,251,817,696	1,085,973,866	1,439,300,000	1,377,500,000
Insurance in force	3,456,941	3,306,468	5,000,000	5,000,000
Contingent liability for indemnification of purchaser of acquired property		120,000		
Accounts receivable (—)	−24,551,893	−29,420,472	−31,110,990	−33,002,790
Total obligated balance	1,297,986,596	1,273,490,204	1,579,565,000	1,650,860,000
Unobligated balance	1,567,717,628	3,223,715,279	2,645,135,000	2,551,340,000

NOTE.—Undisbursed loan authorizations for which agreements have not been executed are as follows: June 30, 1957, $227,323,880; 1958, $140,584,125; 1959, $92,000,000; and 1960, $208,000,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-IMPORT BANK OF WASHINGTON

Not to exceed [$2,055,000] *$2,500,000* (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 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 $75 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) 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. (*Supplemental Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total accrued administrative expenses)	$1,987,001	$2,215,447	$2,500,000
Financing:			
Limitation	1,987,001	2,055,000	2,500,000
Proposed increase in limitation due to pay increases		160,447	

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		204		226		250
Full-time equivalent of all other positions				2		2
Average number of all employees		195		216		243
Number of employees at end of year		205		226		247
Average GS grade and salary	9.0	$6,993	9.0	$7,663	8.8	$7,591

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
01	Personal services:			
	Permanent positions	$1,506,986	$1,680,802	$1,886,730
	Positions other than permanent	2,675	11,600	13,600
	Other personal services	32,263	36,600	39,700
	Total personal services	1,541,924	1,729,002	1,940,030
02	Travel	76,287	110,000	135,000
03	Transportation of things	1,676	2,000	2,500
04	Communication services	24,622	26,305	27,880
05	Rents and utility services	143,341	149,960	164,030
06	Printing and reproduction	16,279	17,770	27,970
07	Other contractual services	22,532	31,600	32,660
	Services performed by other agencies	49,726	19,000	22,340
08	Supplies and materials	21,749	22,000	25,000
11	Grants, subsidies, and contributions	88,772	107,710	122,390
15	Taxes and assessments	93	100	200
	Total accrued administrative expenses	1,987,001	2,215,447	2,500,000

LIQUIDATION OF CERTAIN RECONSTRUCTION FINANCE CORPORATION ASSETS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Interest on borrowings	$439,026	$316,347	$194,609
Other expense	347	400	400
Total program (costs—obligations)	439,373	316,747	195,009
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	6,028,333	6,006,230	6,006,230
Sale of investments		1,250,001	
Interest revenue from loans	562,107	413,372	263,124
Total amounts becoming available	6,590,440	7,669,603	6,269,354
Unobligated balance brought forward (authorization to expend from public debt receipts)	78,364	61,011	45,132
Total amounts available	6,668,804	7,730,614	6,314,486
Repayment of borrowings from Treasury (no longer available) (—)	−6,134,745	−6,107,070	−6,082,008
Capital transfers:			
Repayment of investment to Treasury (—)	−25,217	−1,259,346	−6,230
Payment of profits to Treasury (—)	−8,458	−2,319	−286
Unobligated balance carried forward (authorization to expend from public debt receipts)	−61,011	−45,132	−30,953
Financing applied to program	439,373	316,747	195,009

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 other receipts are estimated to amount to $7,685,482 in 1959 and $6,283,533 in 1960, thereby reducing the net investment of the United States Government to $9,043,418.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$439,373	$316,747	$195,009
Receipts from operations (funds provided):			
Loans repaid	6,028,333	6,006,230	6,006,230
Proceeds from sale of investments		1,250,001	
Revenue	562,107	413,372	263,124
Decrease in selected working capital	21,654	15,879	14,179
Total receipts from operations	6,612,094	7,685,482	6,283,533
Budget expenditures	−6,172,721	−7,368,735	−6,088,524

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Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$562,107	$413,372	$263,124
Expense	−439,373	−316,747	−195,009
Net income for the year	122,734	96,625	68,115
Analysis of retained earnings:			
Retained earnings, beginning of year	542,804	657,080	751,386
Payment of profits to Treasury (−)	−8,458	−2,319	−286
Retained earnings, end of year	657,080	751,386	819,215

Financial Condition

Assets:			
Cash	$4,301		
Accounts receivable	260,808	$187,903	$112,841
Loans receivable	21,024,925	15,018,695	9,012,465
Investments, net	1,250,001		
Total assets	22,540,035	15,206,598	9,125,306
Liabilities:			
Current	204,098	142,771	81,888
Government investment:			
Interest-bearing capital:			
Start of year	26,535,560	20,400,815	14,293,745
Repayment of borrowings from Treasury during year (−)	−6,134,745	−6,107,070	−6,082,008
End of year	20,400,815	14,293,745	8,211,737
Non-interest-bearing capital:			
Start of year	1,303,259	1,278,042	18,696
Repayment of investment to Treasury (−)	−25,217	−1,259,346	−6,230
End of year	1,278,042	18,696	12,466
Retained earnings	657,080	751,386	819,215
Total Government investment	22,335,937	15,063,827	9,043,418

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance		$4,301		
Obligated balance, net:				
Current liabilities	$265,474	204,098	$142,771	$81,888
Accounts receivable (−)	−343,838	−260,808	−187,903	−112,841
Total obligated balance	−78,364	−56,710	−45,132	−30,953
Unobligated balance	78,364	61,011	45,132	30,953

Object Classification

	1958 actual	1959 estimate	1960 estimate
01 Personal services: Positions other than permanent	$347	$400	$400
14 Interest	439,026	316,347	194,609
Total obligations	439,373	316,747	195,009

Informational Foreign Currency Schedule

Private enterprise loans from foreign currencies

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Loans	$3,282,720	$130,000,000	$140,000,000
2. Operating expenses		150,000	200,000
Total program (obligations)	3,282,720	130,150,000	140,200,000
Financing:			
Authorization to expend foreign currency receipts (7 U. S. C. 1704)	83,812,810	134,387,890	130,082,720
Unobligated balance brought forward		80,530,090	84,767,980
Unobligated balance carried forward	−80,530,090	−84,767,980	−74,650,700
Financing applied to program	3,282,720	130,150,000	140,200,000

The Export-Import Bank administers foreign currency loans to American firms for business development, and to domestic or foreign firms for facilities aiding in the utilization of United States agricultural products abroad. These loans are made from a share of the proceeds of the sale abroad of surplus agricultural commodities as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U. S. C. 1691–1724).

This program was initiated in 1958. Currencies are now available under sales agreements signed over the past year for lending in substantial volume. A moderate increase is anticipated for 1960 as currencies become available under additional sales agreements.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel		$32,500	$45,000
04 Communication services		15,000	17,500
06 Printing and reproduction		10,000	15,000
07 Other contractual services		92,500	122,500
Total operating expenses		150,000	200,000

Analysis of Expenditures

Obligated balance, start of year		$3,282,720	$50,020,000
Obligations incurred during year	$3,282,720	130,150,000	140,200,000
Obligated balance, end of year	−3,282,720	−50,020,000	−40,050,000
Expenditures		83,412,720	150,170,000

Status of Unfunded Allocations

Unfunded balance, start of year		$83,812,110	$84,767,280
Allocations	$83,812,110	134,387,890	130,082,720
Unfunded balance, end of year	−83,812,110	−84,767,280	−74,650,000
Transfers into agency account		133,432,720	140,200,000

Allocations Received From Other Accounts

Note.—Obligations incurred 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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Loans and guaranty management for other agencies (total obligations)	$33,133	$64,000	$65,000
Financing:			
Advances and reimbursements from other accounts	33,133	64,000	65,000

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Average number of all employees	5		8		8	
Number employees at end of year	5		8		8	
Average GS grade and salary	9.0	$6,993	9.0	$7,663	8.8	$7,591
01 Personal services: Permanent positions		$28,614		$56,545		$57,270
04 Communication services		63		95		120
05 Rents and utility services		2,235		2,740		2,970
06 Printing and reproduction		803		930		1,030
07 Other contractual services		16				
11 Grants, subsidies, and contributions		1,402		3,690		3,610
Total obligations		33,133		64,000		65,000

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FARM CREDIT ADMINISTRATION

Permanent authorizations:

ADMINISTRATIVE EXPENSES

(Indefinite special fund)

Appropriated (est.) 1959 **$2,125,000** Estimate 1960, **$2,125,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administrative expenses (total obligations)	$2,079,854	$2,125,000	$2,125,000
Financing:			
Unobligated balance brought forward	−1,137,435	−987,613	−987,613
Recovery of prior year obligations	−8,467		
Unobligated balance carried forward	987,613	987,613	987,613
Appropriation (new obligational authority)	1,921,565	2,125,000	2,125,000

Assessments based upon estimated administrative expenses are collected from agencies in the farm credit system, are appropriated through this special fund account, and are available for administrative expenses, the obligations for which appear under Limitation on administrative expenses, Farm Credit Administration.

LIMITATION ON ADMINISTRATIVE EXPENSES, FARM CREDIT ADMINISTRATION

Not to exceed $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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Supervision and examination of farm credit banks and associations (total obligations)	$2,079,854	$2,125,000	$2,125,000
Financing:			
Unobligated balance no longer available	120,146		
Limitation	2,200,000	2,125,000	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); 904 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

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	249		217		212	
Average number of all employees	222		213		210	
Number of employees at end of year	207		215		210	
Average GS grade and salary	9.0	$7,090	8.9	$7,671	9.0	$7,812

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
01	Personal services:			
	Permanent positions	$1,578,706	$1,609,600	$1,619,100
	Positions other than permanent:			
	Board compensation	32,816	32,000	32,000
	Other personal services	16,813	13,300	19,500
	Total personal services	1,628,335	1,654,900	1,670,600
02	Travel	235,698	271,200	271,000
03	Transportation of things	3,750	5,000	3,500
04	Communication services	25,394	28,000	28,000
05	Rents and utility services	1,897	800	500
06	Printing and reproduction	9,974	12,100	9,800
07	Other contractual services	16,291	15,000	10,600
	Services performed by other agencies	12,477	10,000	10,000
08	Supplies and materials	14,612	10,000	10,000
09	Equipment	32,740	10,500	2,000
11	Grants, subsidies, and contributions	96,993	106,000	107,500
13	Refunds, awards, and indemnities	1,534	1,000	1,000
15	Taxes and assessments	159	500	500
	Total obligations	2,079,854	2,125,000	2,125,000

Public enterprise funds:

FEDERAL FARM MORTGAGE CORPORATION FUND

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 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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Preserving, leasing, and disposing of reserved mineral interests	$125,698	$1,000	$1,000
Other	571		
Total program (costs—obligations)	126,269	1,000	1,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of notes receivable	1,978,248	2,042,000	1,669,000
Leases and sale of reserved mineral interests	484,806		
Other receipts	9,696		
Total amounts becoming available	2,472,750	2,042,000	1,669,000
Unobligated balance brought forward:			
Cash	1,072,723	484,004	400,004
Authorization to expend from corporate debt receipts	499,734,600		
Total amounts available	503,280,073	2,526,004	2,069,004
Capital transfers to Treasury:			
Payment of dividend (−)	−2,900,000	−2,100,000	−1,700,000
Repayment of capital stock (−)	−10,000		
Unobligated balance no longer available	−499,759,800	−25,000	−25,000
Unobligated balance carried forward:			
Cash	−484,004	−400,004	−343,004
Financing applied to program	126,269	1,000	1,000

The Corporation is in liquidation, its only remaining activity being the collection of non-interest-bearing notes sold to Federal land banks on June 30, 1955, and paying the proceeds as dividends to Treasury. Its mineral interests with the exception of two in the St. Paul district which are in litigation, were transferred to the Department of the Interior during 1958.

Operating results.—The retained earnings at the end of 1960, after making dividend payments to the Treasury of $1.7 million, are expected to be $4.1 million. Payments will continue to be made to the Treasury until final liquidation.

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Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$126,269	$1,000	$1,000
Increase in selected working capital	2,415	2,500	2,500
Total gross expenditures	128,684	3,500	3,500
Receipts from operations (funds provided):			
Collection of notes receivable—Federal land banks	1,978,248	2,042,000	1,669,000
Revenue	494,502		
Total receipts from operations	2,472,750	2,042,000	1,669,000
Budget expenditures	−2,344,066	−2,038,500	−1,665,500

Revenue, Expense, and Retained Earnings

Nonoperating income or loss (−):			
Revenue	$494,502		
Expense	126,269	$1,000	$1,000
Net income or loss (−) for the year	368,233	−1,000	−1,000
Analysis of retained earnings:			
Retained earnings, beginning of year	10,419,308	7,887,541	5,786,541
Payment of dividend to Treasury (−)	−2,900,000	−2,100,000	−1,700,000
Retained earnings, end of year	7,887,541	5,786,541	4,085,541

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$529,727	$443,227	$383,727
Notes receivable—Federal land banks	7,643,737	5,601,737	3,932,737
Total assets	8,173,464	6,044,964	4,316,464
Liabilities:			
Current liabilities	45,723	43,223	40,723
Bonds payable—held by public, matured principal	240,200	215,200	190,200
Total liabilities	285,923	258,423	230,923
Government investment:			
Non-interest-bearing capital:			
Start of year	10,000		
Repayment of capital stock to Treasury	−10,000		
End of year			
Retained earnings (total Government investment)	7,887,541	5,786,541	4,085,541

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$1,120,861	$529,727	$443,227	$383,727
Budget authorization	499,734,600			
Total unexpended balance	500,855,461	529,727	443,227	383,727
Obligated balance, net:				
Current liabilities	48,138	45,723	43,223	40,723
Unobligated balance	500,807,323	484,004	400,004	343,004

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services: Services performed by other agencies	$126,269	$1,000	$1,000

Federal Intermediate Credit Banks Investment Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Purchase of capital stock of Federal intermediate credit banks (total costs—obligations)	$600,000	$5,000,000	$4,750,000
Financing:			
Amounts becoming available: Repayment of investment in capital stock of Federal intermediate credit banks			$600,000
Unobligated balance brought forward	$40,000,000	$39,400,000	34,400,000
Total amounts available	40,000,000	39,400,000	35,000,000
Unobligated balance carried forward	−39,400,000	−34,400,000	−30,250,000
Financing applied to program	600,000	5,000,000	4,750,000

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. 1061 (a) (1), 1131i (e)).

Budget program.—Funds will be required for investment in class A stock of the banks. The estimate of requirements is based on recent projections made by the 12 intermediate credit banks which indicate that several of the banks will need additional capital in order to keep their debt-to-capital ratios within the 10 to 1 maximum permitted by law.

Financing.—Purchases of stock will continue to be made out of the current authorization of $40,000,000. Under section 105 (d) (3) of the Farm Credit Act of 1956, the revolving fund authorization eventually will be increased to $70,000,000. The increase of $30,000,000 will be made available from the retirement of class A stock outstanding as of January 1, 1957. However, of the $87,405,000 of class A stock outstanding as of January 1, 1957, $57,405,000 must first be paid into the Treasury as miscellaneous receipts; when the balance is reduced to $30,000,000 the remaining proceeds will be credited to the revolving fund.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of capital stock of the Federal intermediate credit banks	$600,000	$5,000,000	$4,750,000
Receipts from operations (funds provided):			
Repayment of investment in capital stock of Federal intermediate credit banks			600,000
Budget expenditures	600,000	5,000,000	4,150,000

Financial Condition

Assets:			
Investment in capital stock of Federal intermediate credit banks	$600,000	$5,600,000	$9,750,000
Government investment:			
Non-interest-bearing capital:			
Start of year		600,000	5,600,000
Advances from Treasury during the year, net	600,000	5,000,000	4,150,000
End of year	600,000	5,600,000	9,750,000
Total Government investment	600,000	5,600,000	9,750,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Budget authorization (unobligated balance)	$40,000,000	$39,400,000	$34,400,000	$30,250,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
16 Investments and loans: Investments in capital stock of Federal intermediate credit banks	$600,000	$5,000,000	$4,750,000

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FARM CREDIT ADMINISTRATION—Continued

Public enterprise funds—Continued

[LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL INTERMEDIATE CREDIT BANKS]

(Trust fund)

[Not to exceed $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 one passenger motor 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; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Program and Financing

	1958 actual	July 1 to Dec. 31, 1958, estimate	1960 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 obligations)	$3,242,344	$1,693,000	
Financing:			
Unobligated balance no longer available	132,656		
Limitation	3,375,000	1,693,000	

Object Classification

Total number of permanent positions	387	387	
Full-time equivalent of all other positions	13	9	
Average number of all employees	361	184	
Number of employees at end of year	347	0	
Average salary: Salary ranges established by Board of Directors	$6,167	$6,282	
01 Personal services:			
Permanent positions	$2,113,010	$1,104,582	
Positions other than permanent	69,608	40,684	
Other personal services	55,376	7,429	
Other payments for personal services: Directors' compensation	48,011	28,582	
Total personal services	2,286,005	1,181,277	
02 Travel	232,921	135,465	
04 Communication services	54,924	31,354	
05 Rents and utility services	185,696	94,229	
06 Printing and reproduction	31,857	15,845	
07 Other contractual services	90,518	46,239	
General agents' expense	160,809	85,419	
General Accounting Office audit expense	6,542	4,752	
08 Supplies and materials	29,955	15,190	
09 Equipment	28,689	9,203	
11 Grants, subsidies, and contributions	133,171	73,202	
15 Taxes and assessments	1,257	825	
Total obligations	3,242,344	1,693,000	

PRODUCTION CREDIT ASSOCIATIONS INVESTMENT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Purchase of capital stock of production credit associations (total costs—obligations)	$2,210,000	$6,000,000	$6,000,000
Financing:			
Amounts becoming available: Repayment of investment in capital stock of production credit associations	170,000	600,000	2,000,000
Unobligated balance brought forward	58,130,000	56,090,000	50,690,000
Total amounts available	58,300,000	56,690,000	52,690,000
Unobligated balance carried forward	−56,090,000	−50,690,000	−46,690,000
Financing applied to program	2,210,000	6,000,000	6,000,000

This fund is available to the Governor of Farm Credit Administration for investment in class A and class C stock of production credit associations and is designed to enable the Farm Credit Administration to supply capital needs which cannot be met by an association from local sources (12 U. S. C. 1131i (a)).

Budget program.—An estimate for purchase of stock in production credit associations of $6 million is made for both 1959 and 1960. The need arises primarily because the volume of business of associations is increasing more rapidly than net worth can be accumulated from local sources.

Financing.—Of the $60,000,000 in the fund authorized for financing the capital needs of the production credit associations, it is estimated that $9,310,000 will have been invested by the end of 1959. An additional $4,000,000 net investment in the associations is expected in 1960, leaving an unobligated balance of $46,690,000 available for future purchases of stock.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of capital stock in production credit associations	$2,210,000	$6,000,000	$6,000,000
Receipts from operations (funds provided):			
Repayment of investment in capital stock of production credit associations	170,000	600,000	2,000,000
Budget expenditures	2,040,000	5,400,000	4,000,000

Financial Condition

Assets:			
Investment in capital stock of production credit associations	$3,910,000	$9,310,000	$13,310,000
Government investment:			
Non-interest-bearing capital:			
Start of year	1,870,000	3,910,000	9,310,000
Advances from Treasury during the year, net	2,040,000	5,400,000	4,000,000
End of year	3,910,000	9,310,000	13,310,000
Total Government investment	3,910,000	9,310,000	13,310,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Budget authorization (unobligated balance)	$58,130,000	$56,090,000	$50,690,000	$46,690,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
16 Investments and loans: Investment in capital stock of production credit associations	$2,210,000	$6,000,000	$6,000,000

AGRICULTURAL MARKETING REVOLVING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Retirement of investments in capital stock of—			
District banks for cooperatives	$4,126,000	$5,138,800	$5,650,000
Central Bank for Cooperatives	1,600,000	1,650,000	1,350,000
Revenue	2,157		
Total amounts becoming available	5,728,157	6,788,800	7,000,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance brought forward	$38,600,072	$44,328,229	$51,117,029
Total amounts available	44,328,229	51,117,029	58,117,029
Unobligated balance carried forward	−44,328,229	−51,117,029	−58,117,029
Financing applied to program			

This fund is available to the Governor of the Farm Credit Administration for investments in class A capital stock of the banks for cooperatives (12 U. S. C. 1134).

Budget program.—No new subscriptions of capital stock are anticipated and stock will be retired by the banks for cooperatives in accordance with section 42 (a) (1) of the Farm Credit Act of 1933, as amended.

Operating results and financial condition.—Investments in capital stock will continue to be reduced through 1960, thereby increasing the cash of the fund. Earnings are retained to provide for the future purchase of stock.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Retirement of investments in capital stock of district banks for cooperatives	$4,126,000	$5,138,800	$5,650,000
Retirement of investment in capital stock of Central Bank for Cooperatives	1,600,000	1,650,000	1,350,000
Revenue	2,157		
Total receipts from operations	5,728,157	6,788,800	7,000,000
Budget expenditures	−5,728,157	−6,788,800	−7,000,000

Revenue, Expense, and Retained Earnings

Retained earnings, beginning of year	$15,944,739	$15,946,896	$15,946,896
Revenue (net income for the year)	2,157		
Retained earnings, end of year	15,946,896	15,946,896	15,946,896

Financial Condition

Assets:			
Cash with Treasury	$44,328,229	$51,117,029	$58,117,029
Investments in capital stock:			
District banks for cooperatives	93,387,500	88,248,700	82,598,700
Central Bank for Cooperatives	48,200,000	46,550,000	45,200,000
Total assets	185,915,729	185,915,729	185,915,729
Government investment:			
Non-interest-bearing capital (start and end of year)	169,968,833	169,968,833	169,968,833
Retained earnings	15,946,896	15,946,896	15,946,896
Total Government investment	185,915,729	185,915,729	185,915,729

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury (unobligated balance)	$38,600,072	$44,328,229	$51,117,029	$58,117,029

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 United States Government investment.

No new subscriptions of capital stock are anticipated and stock will be retired by the banks for cooperatives in accordance with the act. Repayments of $6,788,800 have been made for 1959, and it is estimated that $7,000,000 will be retired in 1960. As of June 30, 1958, the United States Government owned capital stock in the banks in the amount of $141,587,500.

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30, 1958

Assets:			
Cash			$17,472,639
U. S. securities (par $42,963,000)			43,094,540
Loans to cooperative associations		$408,257,152	
Less allowance for losses		3,365,200	
			404,891,952
Other assets		13,216,754	
Less allowance for losses		690,578	
			12,526,176
Total assets			477,985,307
Liabilities and capital:			
Unmatured debentures outstanding			199,000,000
Matured debentures—principal and interest			30,848
Notes payable—Federal intermediate credit banks			500,000
Notes payable—other			7,950,000
Dividends payable on class B capital stock and guaranty fund			461,166
Federal franchise tax payable			1,416,753
Due U. S. Government—retirement of class A capital stock			6,788,800
Other liabilities			2,990,321
Capital: Privately owned capital:			
Capital stock:			
Class B	$14,977,322		
Class C	15,303,640		
Other	579,474		
		$30,860,436	
Earned surplus:			
Surplus—reserved	9,287,625		
Surplus allocated to patrons	5,077,085		
		14,364,710	
			45,225,146
Government investment:			
Class A capital stock	141,587,500		
Less called for retirement	6,788,800		
		134,798,700	
Retained earnings (reserved)		78,823,573	
			213,622,273
Total			477,985,307

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$30,461		
Financing:			
Advances and reimbursements from—			
Other accounts	30,256		
Non-Federal sources (5 U. S. C. 485 (d))	205		
Total financing	30,461		

Object Classification

Average number of all employees	4		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$29,470		
02 Travel	275		
03 Transportation of things	6		
04 Communication services	395		
05 Rents and utility services	122		
08 Supplies and materials	193		
Total obligations	30,461		

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Mutual security," funds appropriated to the President.

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FEDERAL AVIATION AGENCY

The Federal Aviation Agency was created by the Federal Aviation Act of 1958. Its functions include the promotion and regulation of civil aviation through (*a*) management of the use of navigable airspace and the regulation of both civil and military operations in such airspace; (*b*) installation and operation of aids to air navigation and traffic control for civil and military aircraft; (*c*) the conduct of research to develop facilities required to modernize the systems and devices used in assuring safety in aviation; (*d*) certification as to the competency of airmen and the airworthiness of aircraft; (*e*) development of standards and rules designed to promote safety; and (*f*) the administration of grants for airport construction.

The new agency came into existence on August 23, 1958. It has since assumed the functions of the Civil Aeronautics Administration and the Airways Modernization Board. It has also assumed the responsibilities of the Civil Aeronautics Board relating to the promulgation of air safety regulations. Further transfers, chiefly relating to the control of military air traffic, are anticipated but have not been developed to the point where they can be reflected in the budget.

Current authorizations:

[OPERATION AND REGULATION] *EXPENSES*

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] *Federal Aviation Agency, not otherwise provided for, including* administrative expenses for *research and development and for establishment of air navigation facilities, and* 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] *one* 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 one hundred and twelve aircraft; fees and mileage of expert and other witnesses] *vehicle at not to exceed $3,500*; and purchase and repair of skis and snowshoes; [$230,000,000] *$326,400,000*: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, [and] other public authorities, *and private sources*, for expenses incurred in the maintenance and operation of air navigation facilities [: *Provided further*, That the Administrator is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place ten General Schedule positions in the following grades: one in grade GS–18, two in grade GS–17, and seven in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said Act]. (*Public Law 85–726; 49 U. S. C. 1101; 49 U. S. C. 1151–1160; 50 U. S. C. 1622 a, b, c; 50 U. S. C. 1622 (g); Convention on International Civil Aviation (61 Stat. 1180); Public Law 85–507; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$241,735,000** Estimate 1960, **$326,400,000**
Appropriated (adjusted) 1959, [a] **$241,959,131**

[a] Includes $11,735,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Traffic management and facilities maintenance	$162,676,823	$225,980,000	$290,850,000
2. Research direction	967,416	2,777,000	4,000,000
3. Flight operations and airworthiness	18,792,359	23,234,000	26,075,000
4. Administration of airport program	4,012,191	4,961,000	5,475,000
5. 1959 program obligated in 1958	1,111,294	−1,111,294	
Total obligations	187,560,083	255,840,706	326,400,000
Financing:			
Comparative transfers to other accounts	496,257	1,630,131	
1959 appropriation available in 1958	−1,111,294	1,111,294	
Unobligated balance transferred from "Grants-in-aid for airports, Federal Airport Act" (72 Stat. 243)	−138,408		
Unobligated balance no longer available	868,754		
New obligational authority	187,675,392	258,582,131	326,400,000
New obligational authority:			
Appropriation	$187,675,392	$241,735,000	$326,400,000
Transferred from—			
"Salaries and expenses," Civil Aeronautics Board (72 Stat. 731)		102,000	
"Expenses," Airways Modernization Board (31 U. S. C. 581c (b))		2,227,000	
Transferred to "Research and development," Federal Aviation Agency (72 Stat. 731)		−2,104,869	
Appropriation (adjusted)	187,675,392	241,959,131	326,400,000
Proposed supplemental due to pay increases		16,623,000	

1. *Traffic management and facilities maintenance.*—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 in 1960 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. *Research direction.*—This covers direction and administration of an accelerated research and development program for improving the national system of aviation facilities.

3. *Flight operations and airworthiness.*—Inspections and certifications are made of aircraft, airmen, and operators of aircraft and air agencies, including the establishment of the civil air regulations which are designed to provide safe and competent operation of aircraft. Increases in 1960 are for handling workload incident to the increased volume of flying and the introduction of new types of aircraft.

4. *Administration of airport program.*—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)*
1954	17.3	0.5	19.1
1955	18.8	.6	22.4
1956	20.4	.7	25.8
1957	23.7	1.0	29.3
1958	26.3	1.1	31.4
1959 estimate	29.7	1.3	34.8
1960 estimate	33.1	1.6	38.8

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A supplemental appropriation is anticipated for 1959 and is shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	22,512	30,382	35,252
Full-time equivalent of all other positions	243	209	231
Average number of all employees	20,668	26,440	32,558
Number of employees at end of year	22,763	29,893	34,898
Average GS grade and salary	8.6 $5,818	8.9 $6,520	9.1 $6,617
Average salary of ungraded positions	$5,247	$6,456	$5,264
01 Personal services:			
Permanent positions	$121,794,165	$165,262,757	$207,566,551
Positions other than permanent	946,374	937,893	906,814
Other personal services	11,041,910	13,865,298	17,009,312
Total personal services	133,782,449	180,065,948	225,482,677
02 Travel	7,418,418	12,617,317	15,728,315
03 Transportation of things	1,835,573	2,505,787	2,862,582
04 Communication services	12,956,400	18,027,443	21,814,863
05 Rents and utility services	4,992,194	8,600,906	14,631,515
06 Printing and reproduction	438,410	528,672	585,658
07 Other contractual services	4,287,357	5,624,953	7,599,799
Services performed by other agencies	284,944	777,943	819,473
08 Supplies and materials	8,232,971	11,870,458	18,623,281
09 Equipment	4,733,809	5,996,967	5,080,780
10 Lands and structures	77,190		
11 Grants, subsidies, and contributions	7,574,044	10,689,510	13,541,242
13 Refunds, awards, and indemnities	134,487		
15 Taxes and assessments	76,152	66,934	67,835
1959 program obligated in 1958	1,111,294	−1,111,294	
Subtotal	187,935,692	256,261,544	326,838,020
Deduct quarters and subsistence charges	375,609	420,838	438,020
Total obligations	187,560,083	255,840,706	326,400,000

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] *Federal Aviation Agency* stationed at remote localities not on foreign soil where such accommodations are not available; purchase of not to exceed [one] *three* aircraft; *and* the initial flight checking of air navigation facilities and the transportation by air to and from and within *Alaska and* the Territories of the United States of materials and equipment secured under this appropriation; [$158,500,000] *$145,000,000*, to remain available until expended: *Provided, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment of air navigation facilities.* (*Public Law 85–726, secs. 305 and 307 (b); 49 U. S. C. 1156, 1159; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$158,500,000** Estimate 1960, **$145,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Air navigation facilities:			
(a) VORTAC	$33,260,179	$25,517,000	$23,500,000
(b) Low/medium frequency and markers	819,370	1,130,000	700,000
(c) Instrument landing systems	4,057,119	4,638,000	4,800,000
(d) Approach lighting	5,590,111	5,921,000	6,500,000
(e) Intermediate fields and beacons	312,389	1,752,000	1,500,000
2. En route traffic control aids:			
(a) Long range radar	22,280,091	19,522,000	37,700,000
(b) Air route traffic control centers	12,050,977	9,942,000	20,600,000
(c) Air traffic communications stations	6,731,177	6,268,000	8,700,000
(d) International air traffic communications stations	1,789,170	1,709,000	3,200,000
3. Terminal traffic control aids:			
(a) Airport traffic control towers	4,561,959	4,144,000	7,500,000
(b) Terminal area radar	17,251,444	9,606,000	13,100,000
4. Supporting facilities:			
(a) Flight inspection and logistics aircraft	7,935,892	8,495,000	10,700,000
(b) Housing, utilities, and miscellaneous facilities	3,723,750	6,356,000	4,000,000
Total obligations	120,363,628	105,000,000	142,500,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$16,866,134	−$21,406,031	−$74,906,031
Unobligated balance transferred from "Grants-in-aid for airports, Federal Airport Act" (72 Stat. 243)	−300,000		
Unobligated balance carried forward	21,406,031	74,906,031	77,406,031
Appropriation (new obligational authority)	124,603,525	158,500,000	145,000,000

The Federal airways system is being improved by the procurement and installation of new equipment and the modernization of existing facilities. The 1960 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 Expenses, Federal Aviation Agency.

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* include radiobeacons, ranges and associated equipment which provide pilots of equipped aircraft with direction information and define the location of certain airways; (*c*) *Instrument landing systems* cover 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 aircraft at distances up to 230 miles; (*b*) *Air route traffic control centers* are 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* include 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* include 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* include 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* are 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 facilities* are necessary at remote locations. Included are other items not covered elsewhere.

The following table lists the major facilities already funded and those budgeted in 1960:

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FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

ESTABLISHMENT OF AIR NAVIGATION FACILITIES—Continued

NUMBER OF FACILITIES

	Funded through 1959	*Proposed in 1960*
1. Air navigation facilities:		
(*a*) VORTAC:		
Radio omniranges	646	18
Complete VORTAC installations	109	--
Equipment to convert VOR's to VORTAC	449	40
(*c*) Instrument landing systems	215	14
(*d*) Approach lighting:		
Runway approach lighting systems	157	8
Sequenced flashing lights	48	59
2. En route traffic control aids:		
(*a*) Long-range radars	56	13
Air traffic control radar beacons	42	32
3. Terminal area traffic control aids:		
(*a*) Airport traffic control tower service	245	18
(*b*) Terminal area radars	81	..
Air traffic control radar beacons	6	..
Airport surface detection radars	10	--

Object Classification

	1958 actual	1959 estimate	1960 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions	1,286	1,567	1,650
Full-time equivalent of all other positions	95	124	130
Average number of all employees	1,001	1,324	1,405
Number of employees at end of year	1,267	1,560	1,640
Average GS grade and salary	7.9 $5,381	8.1 $6,088	8.1 $6,085
Average salary of ungraded positions	$4,755	$4,693	$4,700
01 Personal services:			
Permanent positions	$5,123,275	$7,072,350	$7,524,782
Positions other than permanent	498,086	665,260	698,498
Other personal services	428,464	596,730	549,417
Total personal services	6,049,825	8,334,340	8,772,697
07 Other contractual services	659,791	1,596,984	1,392,360
09 Equipment	84,977,428	57,500,000	92,500,000
10 Lands and structures	28,251,078	37,071,211	39,321,853
11 Grants, subsidies, and contributions	333,923	459,702	487,952
15 Taxes and assessments	17,425	23,763	25,138
Subtotal	120,289,470	104,986,000	142,500,000
Deduct quarters and subsistence charges	1,160		
Total, Federal Aviation Agency	120,288,310	104,986,000	142,500,000
ALLOCATION ACCOUNTS			
07 Other contractual services	75,318	14,000	
Total obligations	120,363,628	105,000,000	142,500,000
Obligations are distributed as follows:			
Federal Aviation Agency	$120,288,310	$104,986,000	$142,500,000
National Bureau of Standards	318		
General Services Administration	75,000	14,000	

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, [$30,000,000] *$50,000,000,* to remain available until expended. (*49 U. S. C. 1101–1119; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$30,000,000** Estimate 1960, **$50,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants for construction of airports (total obligations)	$63,922,493	$63,000,000	$30,000,000
Financing:			
Unobligated balance brought forward (contract authorization)	−58,802,797	−57,880,304	−57,880,304
Unobligated balance carried forward (contract authorization)	57,880,304	57,880,304	27,880,304
Contract authorization (new) (permanent)	63,000,000	63,000,000	

Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Unfunded balance at beginning of year	$75,500,000	$113,500,000	$146,500,000
Contract authorization (new) (permanent)	63,000,000	63,000,000	
Unfunded balance at end of year	−113,500,000	−146,500,000	−96,500,000
Appropriation to liquidate contract authorization	25,000,000	30,000,000	50,000,000

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. Authorizations of $465.8 million have been provided for the years 1947 through 1959. New legislation will be proposed to provide additional authority for subsequent years with provision for an orderly withdrawal from the program by 1964. The following tabulation summarizes activity under the act.

[Dollars in millions]

		1959 estimate		*1960 estimate*	
	1947 through 1958 actual	*Appropriated funds*	*Contract authorization*	*Appropriated funds*	*Contract authorization*
Airports having projects in program	1,463	....	380	....	100
Projects physically completed	3,003	140	200	150	300
Grant funds authorized	$402.8	---	$63.0	---	-----
Prior year balance available	------	---	$57.9	--	$57.9
Grant obligations	$344.8	....	$63.0	....	$30.0
Federal expenditures	$264.7	$8.0	$41.9	$4.5	$50.0

It is estimated that an appropriation of $50 million will be required for 1960 to pay obligations incurred under the contract authorization.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$63,922,493	$63,000,000	$30,000,000

RESEARCH AND DEVELOPMENT

For expenses, not otherwise provided for, necessary for research, development, and service testing, including construction of experimental facilities and acquisition of necessary sites by lease or grant; purchase of not to exceed two passenger motor vehicles; and purchase of not to exceed three aircraft; $63,600,000, to remain available until expended. (*Sec. 312 (b) and (c) of the Federal Aviation Act of 1958 (72 Stat. 731).*)

Appropriated 1959, **$0** Estimate 1960, **$63,600,000**
Appropriated (adjusted) 1959, **$31,377,869**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research and development to improve air safety	$12,322,489	$19,120,700	$33,916,500
2. Experimentation and evaluation	3,510,038	14,217,300	29,683,500
3. 1959 program obligated in 1958	226,082	−226,082	
Total obligations	16,058,609	33,111,918	63,600,000
Financing:			
Comparative transfers from (−) other accounts	−15,832,527	−1,630,131	
1959 appropriation available in 1958	−226,082	226,082	
New obligational authority		31,707,869	63,600,000
New obligational authority:			
Appropriation		$0	$63,600,000
Transferred from—			
"Expenses," Airways Modernization Board		29,273,000	
"Expenses," Federal Aviation Agency (31 U. S. C. 581c (b); 72 Stat. 731)		2,104,869	
Appropriation (adjusted)		31,377,869	63,600,000
Proposed supplemental due to pay increases		330,000	

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The Bureau of Research and Development of the Federal Aviation Agency carries out a program for improvement and modernization of aviation facilities which is composed primarily of functions taken over from the Airways Modernization Board. It also does developmental work in service testing for improving aircraft, aircraft engines, propellers, and appliances.

The primary objective of the program is to provide for the modernization of the national system of aviation facilities to serve present and future needs of civil and military aviation. The program will provide for the development and selection of systems, procedures, facilities, and devices which will best serve aviation needs and promote maximum coordination of air traffic control and air defense systems.

The Bureau contracts with qualified firms, universities, and individuals to perform specific research and development work. The product secured from these contracts is tested and determinations are made as to how the data, procedures, or equipments procured can best be adapted for utilization in the modernized airways system. The cost of direction and administration of the research carried out under this appropriation is covered by the appropriation Expenses.

1. *Research and development to improve air safety.*—This program provides for improvement in the Nation's airways system through the adaption of existing technology to the problems of air traffic control and navigation, and long-range research and development with respect to air traffic control and navigation problems of the future. The 1960 estimate provides for an expanded program, including continued study of the present airways system and projections of future requirements, theoretical systems analysis of proposed facilities, development and testing of an automatic data processing and display system, long-range development of data processing techniques, and participation in the development of an aviation weather system program.

2. *Experimentation and evaluation.*—This activity provides for experimentation, modification, testing, and evaluation of systems, procedures, and components for use in the national system of aviation facilities. It includes funds for operation of experimental test facilities, equipments, and laboratories at the National Aviation Facilities Experimental Center, including simulation of traffic control problems and development of computation techniques to meet them, technical equipment and aircraft operation, plus normal plant operation and maintenance and construction of laboratories and other facilities.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	278	375	471
Full-time equivalent of all other positions	28	50	49
Average number of all employees:			
Civilian	169	371	464
Military		23	21
Number of employees at end of year:			
Civilian	227	376	485
Military	6	23	21
Average GS grade and salary	9.3 $6,509	9.1 $6,994	9.5 $7,058
Average salary of ungraded positions		$5,393	$5,495
01 Personal services:			
Permanent positions	$987,591	$3,017,929	$3,744,217
Positions other than permanent	88,833	307,412	304,000
Other personal services	16,603	153,556	144,000
Total personal services	1,093,027	3,478,897	4,192,217
02 Travel	53,092	313,530	327,000
03 Transportation of things	5,036	163,990	239,000
04 Communication services	56,170	38,980	93,500
05 Rents and utility services	27,437	108,590	128,400
06 Printing and reproduction	$69	$18,600	$25,000
07 Other contractual services	13,411,169	20,612,106	35,227,809
Services performed by other agencies	798,074	1,881,740	2,997,474
08 Supplies and materials	145,641	335,130	1,071,800
09 Equipment	168,825	3,030,369	4,920,500
10 Lands and structures	495	3,161,900	14,134,000
11 Grants, subsidies, and contributions	73,045	194,168	243,300
13 Refunds, awards, and indemnities	300		
15 Taxes and assessments	147		
1959 program obligated in 1958	226,082	−226,082	
Total obligations	16,058,609	33,111,918	63,600,000

Operation and Maintenance, 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; $2,400,000. *(Public Law 85-726, 307 (b); 54 Stat. 686; 61 Stat. 94; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$2,400,000** Estimate 1960, **$2,400,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Terminal area	$625,134	$791,500	$841,100
2. Hangar area	400,136	454,300	470,100
3. Landing area	384,196	496,900	519,300
4. Other areas	180,925	253,300	258,300
Total operating costs, funded	1,590,391	1,996,000	2,088,800
Capital outlay	13,989	277,200	469,700
Total program costs, funded	1,604,380	2,273,200	2,558,500
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−2,424		−158,500
Obligations incurred for costs of other years, net		170,873	
Total program (obligations)	1,601,956	2,444,073	2,400,000
Financing:			
1959 appropriation available in 1958	−19,427	19,427	
Unobligated balance transferred from "Grants-in-aid for airports, Federal Airport Act" (72 Stat. 243)	−24,000		
Unobligated balance no longer available	7,471		
New obligational authority	1,566,000	2,463,500	2,400,000
New obligational authority:			
Appropriation	$1,566,000	$2,400,000	$2,400,000
Proposed supplemental due to pay increases		63,500	

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. A supplemental appropriation is anticipated for 1959 under Proposed for later transmission.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$91,365	$77,462	$78,000	$78,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	81,729	93,208	263,543	105,043
Total selected resources at end of year	173,094	170,670	341,543	183,043
Selected resources at start of year (−)		−173,094	−170,670	−341,543
Costs financed from obligations of other years, net (−)		−2,424		−158,500
Obligations incurred for costs of other years, net			170,873	

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FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, WASHINGTON NATIONAL AIRPORT—Continued

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. Legislation will be introduced to establish a Federal corporation to operate this airport.

REVENUE AND EXPENSE

	Costs to Operation and maintenance appropriation	*Total accrued costs (including interest and depreciation)*	*Total revenue*	*Income or loss (−), net*
1958:				
Terminal area	$625,134	$798,843	$1,237,474	$438,631
Hangar area	400,136	796,592	965,941	169,349
Landing area	384,196	910,185	707,470	−202,715
Other areas	180,925	334,030	553,378	219,348
Total	1,590,391	2,839,650	3,464,263	624,613
Unrealized revenue included above			97,316	97,316
Total, exclusive of unrealized revenue	1,590,391	2,839,650	3,366,947	527,297
1959:				
Terminal area	791,500	980,150	1,361,600	381,450
Hangar area	454,300	836,960	976,400	139,440
Landing area	496,900	1,095,550	742,100	−353,450
Other areas	253,300	408,340	740,900	332,560
Total	1,996,000	3,321,000	3,821,000	500,000
Unrealized revenue included above			95,000	95,000
Total, exclusive of unrealized revenue	1,996,000	3,321,000	3,726,000	405,000

REVENUE AND EXPENSE—continued

	Costs to Operation and maintenance appropriation	*Total accrued costs (including interest and depreciation)*	*Total revenue*	*Income or loss (−), net*
1960:				
Terminal area	$841,100	$1,047,240	$1,409,600	$362,360
Hangar area	470,100	849,930	1,009,500	159,570
Landing area	519,300	1,154,300	774,200	−380,100
Other areas	258,300	422,830	779,700	356,870
Total	2,088,800	3,474,300	3,973,000	498,700
Unrealized revenue included above			97,000	97,000
Total, exclusive of unrealized revenue	2,088,800	3,474,300	3,876,000	401,700

FINANCIAL CONDITION

Assets:	*1958 actual*	*1959 estimate*	*1960 estimate*
Cash:			
With the Treasury	$1,187,298	$564,009	$194,536
Deposit funds	48,337	53,171	58,488
Accounts receivable	93,512	102,863	113,149
Supplies and materials	77,462	78,000	78,000
Land, structures, and equipment, net:			
Completed work	17,632,299	18,974,886	18,800,130
Work in process	1,706,595	413,034	161,190
Total assets	20,745,503	20,185,963	19,405,493
Liabilities: Current	127,517	140,269	154,296
Total Government investment	20,617,986	20,045,694	19,251,197

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	218	270	285
Average number of all employees	212	255	274
Number of employees at end of year	217	265	281
Average GS grade and salary	5.3 $4,648	5.2 $4,963	5.1 $4,909
Average salary of ungraded positions	$4,752	$4,769	$5,051
01 Personal services:			
Permanent positions	$1,012,790	$1,233,760	$1,359,830
Other personal services	42,909	47,275	59,170
Total personal services	1,055,699	1,281,035	1,419,000
02 Travel	803	1,000	1,000
03 Transportation of things	12	200	200
04 Communication services	7,833	9,000	9,000
05 Rents and utility services	205,183	227,000	248,000
06 Printing and reproduction	2,042	1,000	1,000
07 Other contractual services	32,487	392,725	340,215
08 Supplies and materials	203,544	211,500	226,500
09 Equipment	10,173	120,290	65,290
10 Lands and structures		138,500	
11 Grants, subsidies, and contributions	63,050	80,500	89,045
13 Refunds, awards, and indemnities	1,573	500	500
15 Taxes and assessments	130	250	250
1959 program obligated in 1958	19,427	−19,427	
Total obligations	1,601,956	2,444,073	2,400,000

CONSTRUCTION, WASHINGTON NATIONAL AIRPORT

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing		Appropriation required to complete
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources, start of year	Appropriation required for 1960	
Program by activities:								
1. Terminal area projects	$881,479	$242,047	$370,132	$269,300				
2. Hangar area projects	37,475		450	37,025				
3. Landing area projects	2,035,026	382,034	1,032,341	395,651	$225,000	$225,000		
4. Other area projects	132,923		28,523	104,400				
Total program costs	3,086,903	624,081	1,431,446	806,376	225,000	225,000		
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−625,341	−264,744	−225,000			
Total program (obligations)			806,105	541,632				
Financing:								
Unobligated balance brought forward			−1,097,737	−541,632				
Unobligated balance carried forward			541,632					
Appropriation (new obligational authority)			250,000					

The costs for 1960 will permit completion of runway improvements.

Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1957, $1,115,085; 1958, $489,744; 1959, $225,000.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions	3	3	
Average number of all employees	2	2	
Number of employees at end of year	3	2	
Average GS grade and salary	10.5 $7,043	10.5 $7,833	
Average salary of ungraded positions	$5,366	$5,637	
01 Personal services:			
Permanent positions	$15,658	$18,921	
Other personal services	4,019	1,329	
Total personal services	19,677	20,250	
07 Other contractual services	253,759	200,072	
08 Supplies and materials	15,304		
10 Lands and structures		300,000	
11 Grants, subsidies, and contributions	996	1,235	
Total, Federal Aviation Agency	289,736	521,557	
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	13	50	
06 Printing and reproduction	1,461	150	
07 Other contractual services	24,817	875	
10 Lands and structures	490,078	19,000	
Total, General Services Administration	516,369	20,075	
Total obligations	806,105	541,632	

[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, $50,000,000, to remain available until expended: *Provided*, That not to exceed a total of $1,750,000 may be advanced from this appropriation to the applicable appropriations of the Civil Aeronautics Administration for necessary administrative expenses: *Provided further*, That no part of any appropriation herein shall be used for land acquisition for an access road to such airport until the Secretary of Commerce has made a report to the Appropriations Committees of Congress as to the need of an access road as a necessary approach to said airport which will, when completed, directly connect with the George Washington Memorial Parkway.] (*64 Stat. 770; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$50,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Engineering and supervision	$5,330,418	$225,000	$250,000
2. Construction	1,107,955	53,705,000	1,661,627
Total obligations	6,438,373	53,930,000	1,911,627
Financing:			
Unobligated balance brought forward		−6,061,627	−2,131,627
Unobligated balance carried forward	6,061,627	2,131,627	220,000
Appropriation (new obligational authority)	12,500,000	50,000,000	

To date $62.5 million has been appropriated for development of a public airport near Chantilly, Va., to relieve air traffic congestion in the Washington area. Appropriations have not yet been provided for construction of an access highway and other planned requirements for completing the airport and upon completion of engineering studies and determination of firm costs additional funds will be requested.

Object Classification

	1958 actual	1959 estimate	1960 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions	17	30	30
Average number of all employees	5	23	27
Number of employees at end of year	10	29	29
Average GS grade and salary	10.4 $7,987	9.1 $8,238	9.1 $8,284

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
FEDERAL AVIATION AGENCY—continued			
01 Personal services: Permanent positions	$32,678	$171,200	$227,500
02 Travel	913	2,000	2,000
03 Transportation of things		4,000	
04 Communication services		500	200
05 Rents and utility services		12,500	
06 Printing and reproduction	411	4,000	1,000
07 Other contractual services	5,418,981	13,000	600
Services performed by other agencies	15,445	100,000	100,000
08 Supplies and materials	172	1,600	2,000
09 Equipment	11,840	5,000	3,000
10 Lands and structures		45,111,956	1,561,627
11 Grants, subsidies, and contributions	1,807	11,200	13,700
15 Taxes and assessments	110		
Total, Federal Aviation Agency	5,482,357	45,436,956	1,911,627
ALLOCATION ACCOUNTS			
Total number of permanent positions	8	8	
Average number of all employees	1	7	
Number of employees at end of year	7	1	
Average GS grade and salary	8.0 $6,712	8.0 $7,408	
01 Personal services:			
Permanent positions	$7,955	$49,000	
Other personal services	1,244	5,000	
Total personal services	9,199	54,000	
02 Travel	123	200	
04 Communication services		600	
05 Rents and utility services	566	1,700	
07 Other contractual services	103,906	38,800	
08 Supplies and materials	129	500	
09 Equipment	432		
10 Lands and structures	841,415	8,393,044	
11 Grants, subsidies, and contributions	121	3,700	
15 Taxes and assessments	125	500	
Total, allocation accounts	956,016	8,493,044	
Total obligations	6,438,373	53,930,000	$1,911,627
Obligations are distributed as follows:			
Federal Aviation Agency	$5,482,357	$45,436,956	$1,911,627
General Services Administration	860,356	8,493,044	
Executive Office of the President	95,660		

[OPERATION AND MAINTENANCE 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; $1,050,000.] (*48 U. S. C. 485c–h; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$1,050,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Anchorage airport	$379,881	$676,727	
2. Fairbanks airport	279,299	347,574	
3. Administration	38,428	54,199	
Total obligations	697,608	1,078,500	
Financing:			
Unobligated balance transferred from "Grants-in-aid for airports, Federal Airport Act" (72 Stat. 243)	−10,000		
Unobligated balance no longer available	12,392		
New obligational authority	700,000	1,078,500	
New obligational authority:			
Appropriation	$700,000	$1,050,000	
Proposed supplemental due to pay increases		28,500	

Terminal airports are operated at Anchorage and Fairbanks to serve aviation in the State of Alaska. Charges are made for most services available and revenue is estimated at $1,225,000 in 1959 and $1,310,000 in 1960, in-

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FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

[OPERATION AND MAINTENANCE OF PUBLIC AIRPORTS, TERRITORY OF ALASKA]—Continued

cluding unrealized revenue for services to Government agencies as compared with $1,141,903 in 1958.

In 1960 it is planned to transfer the Anchorage and Fairbanks airports to the State of Alaska and to grant the State funds equivalent to those which would have been appropriated for improvements.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	64	65	
Full-time equivalent of all other positions		1	
Average number of all employees	61	65	
Number of employees at end of year	62	64	
Average GS grade and salary	6.9 $5,169	7.0 $5,810	
Average salary of ungraded positions	$7,074	$7,615	
01 Personal services:			
Permanent positions	$377,692	$428,961	
Positions other than permanent		4,910	
Other personal services	140,187	157,216	
Total personal services	517,879	591,087	
02 Travel	6,293	8,322	
03 Transportation of things	7,960	10,745	
04 Communication services	4,747	3,963	
05 Rents and utility services	22,331	17,502	
06 Printing and reproduction	120	100	
07 Other contractual services	13,729	272,013	
08 Supplies and materials	78,568	83,913	
09 Equipment	23,839	64,387	
11 Grants, subsidies, and contributions	19,812	25,488	
13 Refunds, awards, and indemnities	940		
15 Taxes and assessments	1,390	980	
Total obligations	697,608	1,078,500	

[EXPENSES] (AIRWAYS MODERNIZATION BOARD)

[For necessary expenses of the Airways Modernization Board, including purchase (not to exceed six) and hire of passenger motor vehicles; acquisition by purchase or transfer of aircraft (not to exceed fourteen), and hire, maintenance, and operation of aircraft; and expenses of attendance at meetings concerned with the work of the Board, $31,500,000, to remain available until expended.] (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$31,500,000**
Appropriated (adjusted) 1959, **$0**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$15,336,270		
Comparative transfers from other accounts	−220,042		
Unobligated balance no longer available	5,000		
New obligational authority	15,121,228		
New obligational authority:			
Appropriation	$0	$31,500,000	
Transferred from (31 U. S. C. 581c (b))—			
"Air navigation development," Federal Aviation Agency	1,279,958		
"Research, development, test, and evaluation, Air Force"	5,293,000		
"Research, development, test, and evaluation, Navy"	1,607,414		
"Research, development, test, and evaluation, Army"	1,247,856		
"Procurement other than aircraft and missiles, Air Force"	5,693,000		
Transferred to—			
"Expenses," Federal Aviation Agency (31 U. S. C. 581c (b))		−2,227,000	
"Research and development," Federal Aviation Agency		−29,273,000	
Appropriation (adjusted)	15,121,228		

AIR NAVIGATION DEVELOPMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$220,042		
Appropriation (new obligational authority)	220,042		
New obligational authority:			
Appropriation	$1,500,000		
Transferred to "Expenses, Airways Modernization Board" (31 U. S. C. 581c)	−1,279,958		
Appropriation (adjusted)	220,042		

GRANTS-IN-AID FOR AIRPORTS, FEDERAL AIRPORT ACT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants for construction of airports (total obligations)	$6,403,252		
Financing:			
Unobligated balance brought forward	−6,990,637		
Unobligated balance transferred (72 Stat. 243) to—			
"Census of governments," Bureau of the Census	20,375		
"Expenses," Federal Aviation Agency	138,408		
"Operation and maintenance, Washington National Airport"	24,000		
"Maintenance and operation of public airports, Territory of Alaska"	10,000		
"Establishment of air navigation facilities"	300,000		
"Plant and facilities" National Bureau of Standards	7,217		
Unobligated balance no longer available	87,385		
Appropriation (new obligational authority)			

Object Classification

11 Grants, subsidies, and contributions	$6,403,252		

MISCELLANEOUS ACCOUNTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Claims, Federal Airport Act"		$14,627	
2. "Construction of public airports, State of Alaska"	$8,919	181	
Total obligations	8,919	14,808	
Financing:			
Unobligated balance brought forward	−20,120	−102,800	
Recovery of prior year obligations	−91,599		
Unobligated balance carried foward	102,800		
Unobligated balance no longer available		87,992	
Appropriation (new obligational authority)			

Object Classification

Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services:			
Other personal services	$2,492		
10 Lands and structures	6,343		
13 Refunds, awards, and indemnities		$14,808	
15 Taxes and assessments	84		
Total obligations	8,919	14,808	

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General Provisions—Federal Aviation Agency

During the current fiscal year applicable appropriations to the Federal Aviation Agency shall be available for the activities specified in the Act of October 26, 1949, as amended (5 U. S. C. 596a), to the extent and in the manner prescribed by said Act; maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131).

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.
"Other procurement, Air Force."
"Research, development, test, and evaluation, Air Force."
"Military construction, Navy."
"Research, development, test, and evaluation, Navy."
"Aircraft and related procurement, Navy."
"Procurement of equipment and missiles, Army."
"Research, development, test, and evaluation, Army."
"Payments to school districts," Office of Education, Department of Health, Education, and Welfare.

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Operation and construction of air navigation and related facilities:			
Department of the Air Force	$28,645,280	$23,190,550	$7,206,230
Department of the Navy	1,086,079	1,933,334	1,661,873
Department of the Army	874,126	863,742	1,231,753
2. Miscellaneous services to other accounts	6,264,564	8,383,374	8,454,144
Total obligations	36,870,049	34,371,000	18,554,000
Financing:			
Advances and reimbursements from—			
Other accounts	36,232,352	33,449,822	17,656,984
Non-Federal sources	637,697	921,178	897,016
Total financing	36,870,049	34,371,000	18,554,000

Note.—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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,287	1,407	1,403
Full-time equivalent of all other positions	16	14	15
Average number of all employees	1,027	1,204	1,299
Number of employees at end of year	1,255	1,380	1,378
Average GS grade and salary	8.4 $5,596	8.6 $6,043	8.6 $6,285
Average salary of ungraded positions	$4,999	$4,986	$5,005
01 Personal services:			
Permanent positions	$5,736,658	$7,172,696	$7,806,664
Positions other than permanent	88,821	92,078	101,532
Other personal services	602,674	563,636	601,509
Total personal services	6,428,153	7,828,410	8,509,705
02 Travel	172,018	140,797	123,781
03 Transportation of things	103,611	173,530	149,101
04 Communication services	607,174	713,382	712,617
05 Rents and utility services	243,120	181,172	185,765
06 Printing and reproduction	27,250	25,609	26,009
07 Other contractual services	965,485	1,899,094	2,079,600
08 Supplies and materials	1,866,155	2,618,371	2,702,210
09 Equipment	24,606,254	18,342,883	1,629,662
10 Lands and structures	1,567,608	2,004,585	1,961,947
11 Grants, subsidies, and contributions	283,555	446,413	479,319
13 Refunds, awards, and indemnities	1,063		
15 Taxes and assessments	4,296	1,745	1,704
Subtotal	36,875,742	34,375,991	18,561,420
Deduct quarters and subsistence charges	5,693	4,991	7,420
Total obligations	36,870,049	34,371,000	18,554,000

Proposed for later transmission:

Expenses

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Traffic management and facilities maintenance (total obligations)		$515,000	
Financing:			
Proposed supplemental appropriation		515,000	

Under existing legislation, 1959.—During 1959 the Agency has additional pay cost requirements of $2,515,000. Of this amount $1,015,000 is attributable to engineering pay raise pursuant to Civil Service Commission department circular 793, supplement 33, dated December 9, 1957, and $1,500,000 is to cover the cost of reclassification of air traffic controllers. The Agency anticipates absorbing $2,000,000 of this cost, leaving a net requirement of $515,000.

Grants-in-Aid for Airports (Contract Authorization)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants for construction of airports (total obligations)			$45,000,000
Financing:			
Unobligated balance carried forward (contract authorization)			20,000,000
Proposed new contract authorization			65,000,000

Under proposed legislation, 1960.—It is anticipated that an authorization of an additional $65 million will be provided for a grant program to local sponsors for construction of basic facilities at airports, which are a part of the national system, capable of meeting needs of civil aviation. In order to meet the most urgent airport needs for operation of jet aircraft it is anticipated that a portion of these funds will be made available immediately upon enactment of the new legislation.

Operation and Maintenance, Washington National Airport

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Terminal area		$16,800	
2. Hangar area		4,700	
3. Landing area		11,700	
4. Other areas		3,300	
Total costs (obligations)		36,500	
Financing:			
Proposed supplemental appropriation		36,500	

Under existing legislation, 1959.—A supplemental appropriation of $36,500 is anticipated to provide for mandatory salary increases to wage-scale employees.

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FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Current authorizations:

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, 1959.)*

Appropriated 1959, **$70,000** Estimate 1960, **$70,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Hearing appeals (total obligations)	$53,646	$70,000	$70,000
Financing:			
Unobligated balance no longer available	16,354		
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. During 1958, a total of 89 orders were issued. When operators appeal, hearings are held, and the Board rules upon the application. It is estimated that there will be 90 to 100 orders subject to appeal to the Board in 1959 and 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions	1	1	1
Average number of all employees	6	6	6
Number of employees at end of year	7	8	8
Average GS grade and salary	10.2 $9,653	10.2 $8,840	10.2 $8,902
01 Personal services:			
Permanent positions	$36,883	$44,200	$44,512
Positions other than permanent	8,579	12,700	12,130
Other personal services	150	179	350
Total personal services	45,612	57,079	56,992
02 Travel	3,432	7,000	7,000
03 Transportation of things		15	15
04 Communication services	1,044	1,200	1,200
05 Rents and utility services		100	100
06 Printing and reproduction	341	400	400
07 Other contractual services	345	400	400
08 Supplies and materials	514	656	693
09 Equipment		300	300
11 Grants, subsidies, and contributions	2,319	2,850	2,900
15 Taxes and assessments	39		
Total obligations	53,646	70,000	70,000

FEDERAL COMMUNICATIONS COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses in performing the duties of the Commission as authorized by law, including newspapers (not to exceed **[**$200**]** *$275*), land and structures (not to exceed **[**$120,000**]** *$81,800*), special counsel fees, improvement and care of grounds and repairs to buildings (not to exceed **[**$15,400**]** *$13,900*), 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 **[**$107,470**]** *$108,730* for expenses of travel, **[**$8,900,000**]** *$11,000,000. (Communications Act of 1934, as amended; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, [a] **$9,042,000** Estimate 1960, **$11,000,000**

[a] Includes $142,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Applied technical research and frequency allocation activities	$638,953	$727,461	$859,628
2. Broadcast activities	1,755,369	1,942,055	2,361,601
3. Safety and special radio services	957,070	1,099,344	1,283,864
4. Field engineering and monitoring activities	2,710,438	3,137,022	3,226,040
5. Common carrier activities	1,015,226	1,140,332	1,245,542
6. Executive staff, and service activities	1,627,636	1,773,786	2,023,325
7. 1959 program obligated in 1958	60,096	−60,096	
Total obligations	8,764,788	9,759,904	11,000,000
Financing:			
1959 appropriation available in 1958	−60,096	60,096	
Unobligated balance no longer available	29,663		
New obligational authority	8,734,355	9,820,000	11,000,000
New obligational authority:			
Appropriation	$8,734,355	$9,042,000	$11,000,000
Proposed supplemental due to pay increases		778,000	

The Federal Communications Commission regulates interstate and foreign commerce in communications by wire and radio. The Communications Act requires the Commission to attain and maintain maximum benefits for the people of the United States in the use of the radio spectrum and to regulate the rates and services of communications common carriers. Growth in workloads coupled with the needed reduction in time lag between dates of receipt and dates when applications are reached for consideration require an increase in manpower for 1960.

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. To permit the Commission to discharge these technical functions some work will be performed by contract.

2. *Broadcast activities.*—This activity includes the licensing and regulation of standard broadcast (AM), frequency modulation (FM), television (TV), and other related services. Pertinent data are shown in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Stations regulated [a]	4,647	4,862	5,105	5,325
Applications disposed of for new stations or major change of facilities:				
AM	605	446	631	842
FM	153	255	391	391
TV	315	237	274	319

[a] 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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Stations regulated (excluding amateur)	215,955	258,537	306,841	346,255
License applications received	186,025	212,581	238,000	260,000

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.

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6. *Executive staff and service activities.*—Includes adjudicatory functions of the Commission. The increase requested is geared to increases in the program functions.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,221	1,273	1,405
Average number of all employees	1,098	1,164	1,301
Number of employees at end of year	1,145	1,169	1,320
Average GS grade and salary	8.2 $6,369	8.3 $6,996	8.2 $6,906
01 Personal services:			
Permanent positions	$7,321,371	$8,125,172	$8,988,448
Other personal services	102,069	96,228	138,052
Total personal services	7,423,440	8,221,400	9,126,500
02 Travel	88,873	102,500	108,730
03 Transportation of things	12,542	29,300	29,000
04 Communication services	193,305	213,650	220,050
05 Rents and utility services	63,920	64,500	63,020
06 Printing and reproduction	45,558	53,000	79,000
07 Other contractual services	68,406	92,500	174,245
Services performed by other agencies	76,408	88,100	196,255
08 Supplies and materials	132,553	151,300	159,375
09 Equipment	112,887	155,085	184,180
10 Land and structures	34,953	120,000	81,800
11 Grants, subsidies, and contributions	446,716	519,165	565,845
13 Refunds, awards, and indemnities	1,790	4,600	5,000
15 Taxes and assessments	3,341	4,900	7,000
1959 program obligated in 1958	60,096	−60,096	
Total obligations	8,764,788	9,759,904	11,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Control of electronic radiation (Department of Defense)	$400,831	$472,000	$445,814
2. Operational research (Department of Defense)	253,788	261,000	
3. Technical assistance (International Cooperation Administration)	45,689	53,245	55,915
4. Miscellaneous services	6,009	23,600	
Total obligations	706,317	809,845	501,729
Financing:			
Advances and reimbursements from other accounts	706,317	809,845	501,729

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	116	120	55
Average number of all employees	106	112	49
Number of employees at end of year	93	94	44
Average GS grade and salary	7.0 $5,273	8.0 $5,736	11.0 $7,601
01 Personal services: Permanent positions	$558,992	$642,481	$372,459
02 Travel	37,148	83,980	83,200
03 Transportation of things	9,915	5,025	5,025
04 Communication services	15,238	19,650	8,650
06 Printing and reproduction	575	305	
07 Other contractual services	18,175	5,900	1,300
08 Supplies and materials	11,209	7,225	2,700
09 Equipment	24,452	5,785	2,175
11 Grants, subsidies, and contributions	28,174	39,024	26,120
13 Refunds, awards, and indemnities	270	245	
15 Taxes and assessments	2,169	225	100
Total obligations	706,317	809,845	501,729

FEDERAL CIVIL DEFENSE ADMINISTRATION

NOTE.—Pursuant to Reorganization Plan No. 1 of 1958 this Administration has been transferred to and consolidated with the Office of Civil and Defense Mobilization in the Executive Office of the President chapter.

FEDERAL DEPOSIT INSURANCE CORPORATION

INVESTMENT IN FEDERAL DEPOSIT INSURANCE CORPORATION

Program and Financing

	1958 actual	1959 estimate	1960 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
Appropriation (new obligational authority)			

The Corporation insures accounts of depositors in insured banks up to $10,000. As of June 23, 1958, the deposit insurance fund for the protection of depositors amounted to $1.9 billion or 1.48% of all insured deposits on that date. Total insured deposits at year end amounted to $118.9 billion in 1957 and $128.7 billion in 1958, and are estimated at $134 billion in 1959 and $139 billion in 1960. 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 1959 or 1960.

CORPORATIONS

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 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] *1960* for each such corporation or agency, except as hereinafter provided: (*Independent Offices Appropriation Act, 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 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.

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds:

FEDERAL HOME LOAN BANK BOARD REVOLVING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Administrative expense subject to limitation	$1,249,896	$1,729,000	$1,900,000
Nonadministrative expense subject to limitation	5,060,309	6,788,000	7,784,000
Other expense	238,073	65,000	65,000
Credit allowed on prior year assessments		108,105	
Total operating costs funded	6,548,278	8,690,105	9,749,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−6,905	
Obligations incurred for costs of other years, net	9,902		1,840
Total program (obligations)	6,558,180	8,683,200	9,750,840
Financing:			
Amounts becoming available:			
Examining fees and charges	4,970,382	6,891,768	7,936,500
Assessments for services and facilities:			
Federal Savings and Loan Insurance Corporation	512,457	708,890	779,000
Federal home loan banks	612,500	847,210	931,000
Division of examinations	124,990	172,900	190,000
Reimbursements from other accounts	73,575	65,000	65,000
Conservatorship and/or supervisory representative in charge and other income	195,261		
Miscellaneous revenue	4,764		
Total amounts becoming available	6,493,929	8,685,768	9,901,500
Unobligated balance brought forward	315,135	250,884	253,452
Total amounts available	6,809,064	8,936,652	10,154,952
Unobligated balance carried forward	−250,884	−253,452	−404,112
Financing applied to program	6,558,180	8,683,200	9,750,840

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]

	1958 actual	*1959 estimate*	*1960 estimate*
Number of members	4,534	4,595	4,655
Total assets of members	$50,100,000	$55,800,000	$61,700,000
Savings invested in members	$43,900,000	$49,200,000	$54,400,000
Mortgage loans of members	$41,300,000	$45,900,000	$50,600,000
Insured institutions examined and supervised	3,832	3,942	4,052
Federal home loan bank advances outstanding	$929,478	$1,150,000	$1,250,000

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 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 approximately 70% of all insured institutions in conjunction with supervisory examinations. 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 $1,729,000 to $1,900,000 reflecting staff increases and related costs to meet increasing workload. 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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories:				
Supplies	$9,191	$12,447	$10,000	$11,000
Postage	1,833	3,110	3,400	3,740
Unpaid undelivered orders	4,379	9,748	5,000	5,500
Total selected resources at end of year	15,403	25,305	18,400	20,240
Selected resources at start of year (−)		−15,403	−25,305	−18,400
Costs financed from obligations of other years, net (−)			−6,905	
Obligations incurred for costs of other years, net		9,902		1,840

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of equipment (fully depreciated)	$50,475	$15,650	$26,600
Expense	6,497,803	8,566,350	9,722,400
Credit allowed on prior year assessments		108,105	
Increase in selected working capital		80,611	207,244
Total gross expenditures	6,548,278	8,770,716	9,956,244
Receipts from operations (funds provided):			
Revenue	6,493,929	8,685,768	9,901,500
Decrease in selected working capital	240,975		
Total receipts from operations	6,734,904	8,685,768	9,901,500
Budget expenditures	−186,626	84,948	54,744

Revenue, Expense, and Retained Earnings

Revenue	$6,493,929	$8,685,768	$9,901,500
Expense	6,548,278	8,582,000	9,749,000
Assessments and fees in excess of or below (−) expense	−54,349	103,768	152,500
Analysis of deferred and undistributed credits:			
Deferred and undistributed credits, beginning of year	330,538	276,189	271,852
Credit allowed on prior year assessments (−)		−108,105	
Deferred and undistributed credits, end of year	276,189	271,852	424,352

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Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$533,029	$448,081	$393,337
Accounts receivable	1,018,635	1,156,431	1,306,000
Inventory:			
Supplies	12,447	10,000	11,000
Postage meter	3,110	3,400	3,740
Furniture, fixtures, and equipment	303,858	319,508	346,108
Less portion charged off as depreciation	303,858	319,508	346,108
Furniture, fixtures, and equipment, net			
Total assets	1,567,221	1,617,912	1,714,077
Liabilities:			
Current	1,291,032	1,346,060	1,289,725
Deferred and undistributed credits	276,189	271,852	424,352
Total liabilities	1,567,221	1,617,912	1,714,077

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$346,403	$533,029	$448,081	$393,337
Obligated balance, net:				
Current liabilities [1]	823,969	1,291,032	1,346,060	1,289,725
Unpaid undelivered orders	4,379	9,748	5,000	5,500
Accounts receivable (−)	−797,080	−1,018,635	−1,156,431	−1,306,000
Total obligated balance	31,268	282,145	194,629	−10,775
Unobligated balance	315,135	250,884	253,452	404,112

[1] Excludes contingent liability for accrued annual leave as follows: 1957, $513,879; 1958, $653,191; 1959, $724,140; 1960, $783,270.

Limitation on Administrative and Examination Expenses, Federal Home Loan Bank Board

Not to exceed a total of [$1,600,000] *$1,900,000* 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 [$55,000] *$57,000* 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 [$6,343,000] *$7,784,000*. (*Independent Offices Appropriation Act, 1959.*)

Program and Financing—Administrative Expenses

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Examination and supervision of Federal home loan banks	$172,353	$230,305	$242,876
2. Supervision of Federal and State-chartered institutions	265,544	374,046	440,394
3. Chartering savings and loan associations	74,481	98,294	103,326
5. Executive direction and staff services	482,046	664,754	705,103
6. Administrative services	255,472	361,601	408,301
Total accrued administrative expenditures	1,249,896	1,729,000	1,900,000
Financing:			
Limitation	1,249,896	1,600,000	1,900,000
Proposed increase in limitation due to pay increases		129,000	

Object Classification—Administrative Expenses

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	157		188		199	
Average number of all employees	145		180		195	
Number of employees at end of year	154		188		199	
Average GS grade and salary	8.6	$6,414	8.6	$7,072	8.7	$7,171
01 Personal services:						
Permanent positions		$1,055,322		$1,358,726		$1,480,513
Other personal services		14,460		5,575		11,900
Total personal services		1,069,782		1,364,301		1,492,413
Deduct portion not chargeable to limitation		17,411				
Net personal services		1,052,371		1,364,301		1,492,413
02 Travel		40,503		55,000		57,000
03 Transportation of things		660		750		1,500
04 Communication services		26,423		32,811		36,805
05 Rents and utility services		2,371		127,433		145,218
06 Printing and reproduction		3,015		3,800		4,000
07 Other contractual services		7,598		9,570		10,376
Services performed by other agencies		8,411		11,563		9,957
08 Supplies and materials		25,045		30,938		34,969
09 Equipment		19,284		5,400		11,300
11 Grants, subsidies, and contributions		64,023		87,079		96,107
13 Refunds, awards, and indemnities				100		100
15 Taxes and assessments		192		255		255
Total accrued administrative expenditures		1,249,896		1,729,000		1,900,000

Program and Financing—Examination Expenses

Program by activities:			
4. Examining savings and loan associations	$4,862,324	$6,520,774	$7,494,965
5. Executive direction and staff services	197,985	267,226	289,035
Total accrued examination expenditures	5,060,309	6,788,000	7,784,000
Financing:			
Limitation	5,060,309	6,343,000	7,784,000
Proposed increase in limitation due to pay increases		445,000	

The Examination 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.

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE AND EXAMINATION EXPENSES, FEDERAL HOME LOAN BANK BOARD—Continued

[Dollars in millions]

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Examinations completed or to be completed	3,580	4,047	4,157
Average size of insured institutions (start of year)	$11.3	$12.4	$13.5
Average volume new loans made by insured institutions during year	$2.6	$2.6	$2.6

Object Classification—Examination Expenses

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	647	708	766
	Average number of all employees	556	677	738
	Number of employees at end of year	642	707	766
	Average GS grade and salary	8.3 $5,463	8.9 $6,340	9.3 $6,635
01	Personal services:			
	Permanent positions	$3,272,769	$4,333,721	$4,960,052
	Other personal services	65,987	17,279	39,148
	Total personal services	3,338,756	4,351,000	4,999,200
	Deduct portion not chargeable to limitation	101,680		
	Net personal services	3,237,076	4,351,000	4,999,200
02	Travel	1,283,935	1,735,700	1,997,000
03	Transportation of things	4,858	6,000	7,000
04	Communication services	66,502	96,900	105,500
05	Rents and utility services	64,034	74,100	81,300
06	Printing and reproduction	12,045	12,300	12,500
07	Other contractual services	12,570	17,125	19,875
	Federal Home Loan Bank Board services	124,990	172,900	190,000
	Services performed by other agencies	29	500	500
08	Supplies and materials	24,079	27,125	29,925
09	Equipment	31,845	10,750	15,800
11	Grants, subsidies, and contributions	197,914	283,300	325,100
15	Taxes and assessments	432	300	300
	Total accrued examination expenditures	5,060,309	6,788,000	7,784,000

INVESTMENT IN FEDERAL HOME LOAN BANKS

Program and Financing

	1958 actual	1959 estimate	1960 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 savings 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 1960.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administrative expenses: Subject to limitation	$692,419	$764,000	$800,000
2. Payments to Federal Home Loan Bank Board for—			
(*a*) Services and facilities	512,593	708,890	779,000
(*b*) Conservatorship, supervisory representative in charge, and other	10,431		
3. Purchase of equipment (fully depreciated)	13,122	14,000	15,000
Total program costs	1,228,565	1,486,890	1,594,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−405,517	−439
Obligations incurred for costs of other years, net	401,297		
Total program (obligations)	1,629,862	1,081,373	1,593,561
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of assets acquired	93,183	30,000	29,877
Insurance premiums and admission fees	30,944,009	35,534,000	39,684,100
Interest on U. S. securities	6,975,758	7,240,800	8,208,300
Other revenues	112,345	800	1,000
Total amounts becoming available	38,125,295	42,805,600	47,923,277
Unobligated balance brought forward:			
Authorization to expend from public debt receipts	750,000,000	750,000,000	750,000,000
Investment in U. S. securities	270,302,875	289,534,856	305,692,788
Total amounts available	1,058,428,170	1,082,340,456	1,103,616,065
Capital transfers:			
Repayment of capital stock to Treasury (−)	−16,170,000	−24,801,000	
Payment of return on capital stock to Treasury (−)	−1,093,452	−765,295	
Unobligated balance carried forward:			
Authorization to expend from public debt receipts	−750,000,000	−750,000,000	−750,000,000
Investment in U. S. securities	−289,534,856	−305,692,788	−352,022,504
Financing applied to program	1,629,862	1,081,373	1,593,561

The Federal Savings and Loan Insurance Corporation is authorized under title IV of the National Housing Act (12 U. S. C. 1724 et seq.) to insure savings in all Federal savings and loan associations and in State-chartered institutions of the savings and loan type which apply and are approved for insurance. The protection thus afforded, which insures savers in member associations against financial loss up to a statutory limit of $10,000, may be provided through the prevention of default or the payment of insurance to savings account holders in the event of liquidation. The former course of action, which results in complete protection to each investor regardless of the amount in his account, is accomplished by making cash grants or by purchasing all or a part of the association's assets. Also, the Corporation is authorized to make loans to institutions in financial difficulty. Wherever possible, preventive measures are taken to eliminate the necessity of liquidation. However, in the event liquidation is necessary, the Corporation acts as receiver for all federally chartered associations and may act as receiver or coreceiver upon request of State authority in cases involving State-chartered institutions.

The Corporation functions under direction of the Federal Home Loan Bank Board, which provides certain administrative services and conducts the examination and supervision of insured institutions. The expenses of the Board and its staff offices are paid from assessments made on the Corporation, the Federal home loan banks, and the division of examinations.

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[Dollars in thousands]

	1958 actual	1959 estimate	1960 estimate
Number of insured institutions	3,832	3,942	4,052
Number of insured savers	20,832,000	22,900,000	24,900,000
Insured liability	$41,589,000	$46,700,000	$51,800,000
Assets of insured members	$47,629,000	$53,400,000	$59,300,000
Reserves and undivided profits of insured institutions	$3,235,000	$3,700,000	$4,200,000
Corporation's reserve for insurance losses	$264,441	$305,730	$352,029
Percent of authorization to total income	1.8	1.8	1.7

Budget program.—The budget program comprises the following activities:

1. *Administrative expenses—(a) 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 $10.7 billion or 29% in the last 2 years. The continuing interest in insurance of accounts on the part of uninsured institutions, plus the anticipated rate of normal growth, will increase the insured liability of the Corporation to an estimated $51.8 billion by June 30, 1960, as compared to $41.6 billion on June 30, 1958.

(*b*) *Prevention of default and payment of insurance.*—In carrying out its role of protecting savings in insured savings and loan associations, the Corporation has settled 38 cases since its creation 24 years ago. Total losses to June 30, 1958, have amounted to $5,224,869, or less than 2% of cumulative gross income. An overall summary of these activities is reflected in the following table:

	Number of cases	Funds provided	Recoveries	Estimated or final loss
Contributions to prevent default	29	$5,374,125	$496,064	$4,878,061
Purchase of assets	2	5,054,765	[1]5,018,099	36,666
Receiverships	7	6,699,801	6,390,254	[2]310,142
Net insurance losses	38	17,128,691	11,904,417	5,224,869

[1] Includes anticipated recoveries of $59,877.
[2] Includes $595 for unsettled accounts.

(*c*) *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.

(*d*) *Executive direction and fiscal and other administrative services.*—This covers all fiscal and other administrative services as well as management and direction.

2. *Payments to Federal Home Loan Bank Board for—(a) 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 and staff offices.

(*b*) *Conservatorship, supervisory representative in charge, and other.*—Represents the Corporation's share of expenses incurred by the Board in 1958 in connection with the conservatorship of institutions insured by the Federal Savings and Loan Insurance Corporation and preparation for or conduct of proceedings under section 407 of the National Housing Act, as amended.

3. *Purchase of equipment.*—Provides for the purchase of equipment which is fully depreciated.

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

	1957 actual	1958 actual	1959 estimate	1960 estimate
Selected resources at end of year:				
Deferred charges	$1,853	$401,432	$878	$439
Unpaid undelivered orders	3,245	4,963	---	---
Total selected resources at end of year	5,098	406,395	878	439
Selected resources at start of year (−)	−5,098	−406,395	−878	−439
Costs financed from obligations of other years, net (−)	---	−405,517	−439	
Obligations incurred for costs of other years, net	401,297	---	---	

Financing.—Since July 1951 the Corporation has been retiring its capital stock held by the Secretary of the Treasury in annual payments equivalent to 50% of its net income. Of the $100,000,000 original capital stock, $75,199,000 had been retired prior to June 30, 1958, with the balance of $24,801,000 being retired in July 1958.

Through June 30, 1958, the Corporation has provided for payment of $42.9 million to the Treasury as a return on capital stock, which includes accrual for the final payment of $0.8 million disbursed in July 1958. The Corporation has authority to borrow for insurance purposes up to $750 million outstanding at any one time from the Treasury. No borrowings under this authorization have ever been made.

Operating results and financial condition.—The Corporation is entirely self-supporting and in no year have its operating expenses amounted to more than 5.3% of total income. Revenue from insurance premiums, interest on investments in obligations of the United States and revenue from other sources has been sufficient to meet all insurance losses, operating expenses, dividends on capital stock, and to establish a reserve fund of $264.4 million. Total revenue since 1934, of $325,068,600, has been applied as follows:

	Percent	Amount
Expense	3.8	$12,426,946
Net insurance losses	1.6	5,224,869
Return on capital stock to Treasury	13.3	42,975,507
Reserve for insurance losses	81.3	264,441,278
Total	100.0	325,068,600

Operating expenses for 1960 are estimated at $1,594,000, consisting primarily of administrative expenses for the Corporation of $800,000 and $779,000 for services rendered by the Federal Home Loan Bank Board. 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.

Net income for 1960 is expected to be increased by $9.5 million or 25.7% above the net income for 1958 and will be retained by the Corporation and credited to its reserve for insurance losses.

The Corporation is required by law to accumulate a reserve equal to 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 $2.6 billion by June 30, 1960. The insurance reserve as of that date is expected to reach $352 million or 0.68% of an estimated insured liability of $51.8 billion.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of equipment (fully depreciated)	$13,122	$14,000	$15,000
Expense	1,215,443	1,472,890	1,579,000
Total gross expenditures	1,228,565	1,486,890	1,594,000
Receipts from operations (funds provided):			
Proceeds from sale of assets acquired to prevent default	93,183	30,000	29,877
Revenue	38,032,112	42,775,600	47,893,400
Decrease in selected working capital	1,238,488	1,292,393	1,008,539
Total receipts from operations	39,363,783	44,097,993	48,931,816
Budget expenditures	−38,135,218	−42,611,103	−47,337,816

Revenue, Expense, and Retained Earnings

Revenue	$38,032,112	$42,775,600	$47,893,400
Expense	1,228,565	1,486,890	1,594,000
Net income	36,803,547	41,288,710	46,299,400

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$229,496,478	$265,206,573	$305,729,988
Payment of return on capital stock to Treasury (−)	−1,093,452	−765,295	
Retained earnings, end of year	265,206,573	305,729,988	352,029,388

Financial Condition

Assets:			
Cash with Treasury	$2,500,826	$895,634	$1,233,450
U. S. securities (par)	294,350,000	313,000,000	360,000,000
Accounts receivable, net	8,533,850	9,760,951	11,111,151
Deferred charges	401,432	878	439
Assets acquired to prevent default, net	66,322	36,322	6,445
Total assets	305,852,430	323,693,785	372,351,485
Liabilities:			
Current	92,242	105,882	112,782
Deferred credits (unearned insurance premium payments)	15,752,615	17,857,915	20,209,315
Total liabilities	15,844,857	17,963,797	20,322,097
Government investment:			
Interest-bearing capital:			
Start of year	40,971,000	24,801,000	
Repayment of capital stock to Treasury (−)	−16,170,000	−24,801,000	
End of year	24,801,000		
Retained earnings	265,206,573	305,729,988	352,029,388
Total Government investment	290,007,573	305,729,988	352,029,388

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash and U. S. securities	$275,979,060	$296,850,826	$313,895,634	$361,233,450
Budget authorization	750,000,000	750,000,000	750,000,000	750,000,000
Total unexpended balance	1,025,979,060	1,046,850,826	1,063,895,634	1,111,233,450
Obligated balance, net:				
Current liabilities [1]	75,675	92,242	105,882	112,782
Deferred credits (unearned insurance premium payments)	13,908,533	15,752,615	17,857,915	20,209,315
Unpaid undelivered orders	3,245	4,963		
Accounts receivable, net (−)	−8,311,268	−8,533,850	−9,760,951	−11,111,151
Total obligated balance	5,676,185	7,315,970	8,202,846	9,210,946
Unobligated balance	1,020,302,875	1,039,534,856	1,055,692,788	1,102,022,504

[1] Does not include accrued annual leave as follows: 1957, $84,269; 1958, $92,034.

NOTE.—The potential liability on insured share accounts and creditor obligations at fiscal year ends is as follows: 1957, $36.7 billion; 1958, $41.6 billion; 1959, $46.7 billion; 1960, $51.8 billion.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Not to exceed [$720,000] *$800,000* 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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Underwriting	$129,430	$146,451	$150,251
2. Prevention of default and payment of insurance	78,057	87,953	88,607
3. Analysis of operations	235,398	261,233	293,748
4. Executive direction and fiscal and other administrative services	249,534	268,363	267,394
Total accrued administrative expenses	692,419	764,000	800,000
Financing:			
Limitation	692,419	720,000	800,000
Proposed increase in limitation due to pay increases		44,000	

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	96		105		103	
	Full-time equivalent of all other positions	1		1		1	
	Average number of all employees	86		90		95	
	Number of employees at end of year	89		90		95	
	Average GS grade and salary	7.7	$5,854	7.7	$6,328	7.6	$6,376
01	Personal services:						
	Permanent positions	$540,574		$585,738		$617,420	
	Positions other than permanent	2,391		4,611		1,572	
	Other personal services	10,589		2,251		2,408	
	Total personal services	553,554		592,600		621,400	
	Deduct portion not chargeable to limitation	313					
	Net personal services	553,241		592,600		621,400	
02	Travel	10,375		15,400		15,400	
03	Transportation of things			100		100	
04	Communication services	11,385		13,400		14,200	
05	Rents and utility services	38,191		40,650		46,700	
06	Printing and reproduction	13,700		14,700		15,000	
07	Other contractual services	4,888		7,200		7,300	
	Services performed by other agencies	21,789		36,700		33,800	
08	Supplies and materials	5,474		5,150		5,150	
11	Grants, subsidies, and contributions	33,233		37,900		40,750	
15	Taxes and assessments	143		200		200	
	Total accrued administrative expenses	692,419		764,000		800,000	

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 $538,072 at the end of 1958 and are estimated to be reduced to $480,072 by the end of 1960.

Sources and Application of Funds

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Increase in selected working capital (interest paid)	$3,951	$4,000	$4,000
Budget expenditures	3,951	4,000	4,000

Financial Condition

Assets:			
Cash with Treasury	$538,072	$509,072	$480,072
Liabilities:			
Interest payable	80,747	76,747	72,747
Matured bonds payable held by public	457,325	432,325	407,325
Total liabilities	538,072	509,072	480,072

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Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$565,648	$538,072	$509,072	$480,072
Obligated balance, net: Liabilities	565,648	538,072	509,072	480,072
Unobligated balance				

Object Classification

	1958 actual	1959 estimate	1960 estimate
14 Interest	$3,951	$4,000	$4,000

FEDERAL MEDIATION AND CONCILIATION SERVICE

Current authorizations:

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; *and* 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; [expenses of attendance at meetings concerned with labor and industrial relations; $3,650,000] *$3,949,000. (Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$3,650,000** Estimate 1960, **$3,949,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Mediation and conciliation of labor disputes	$3,335,640	$3,580,725	$3,580,725
2. Presidential boards of inquiry	670	5,000	5,000
3. Administration	338,040	363,275	363,275
4. 1959 program obligated in 1958	23,150	−23,150	
Total obligations	3,697,500	3,925,850	3,949,000
Financing:			
1959 appropriation available in 1958	−23,150	23,150	
New obligational authority	3,674,350	3,949,000	3,949,000
New obligational authority:			
Appropriation	$3,674,350	$3,650,000	$3,949,000
Proposed supplemental due to pay increases		299,000	

The Service assists labor and management in mediation and prevention of disputes affecting industries engaged in interstate commerce and defense production other than rail and air transportation.

1. *Mediation and conciliation of labor disputes.*—During the last year dispute notices affecting approximately 100,000 employers were received by the Service. About 19,000 cases were assigned to mediators for initial inquiry to determine the status of contract negotiations and the possible need for Federal mediation assistance. About 16,500 cases were assigned for mediation after initial inquiry and 14,500 mediation assignments were closed during the year.

WORKLOAD

	1954	*1955*	*1956*	*1957*	*1958*
Cases, beginning of year	2,887	2,578	2,540	2,254	2,422
Mediation assignments	13,778	14,197	14,604	13,479	16,487
Mediation assignments closed	14,087	14,235	14,890	13,311	14,688
Pending cases, end of year	2,578	2,540	2,254	2,422	4,221

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	346	344	352
Full-time equivalent of all other positions	5	6	4
Average number of all employees	338	348	351
Number of employees at end of year	339	344	349
Average GS grade and salary	10.5 $8,099	10.6 $9,025	10.8 $9,016
01 Personal services:			
Permanent positions	$2,835,647	$3,112,250	$3,136,800
Positions other than permanent	30,801	34,200	27,200
Other personal services	13,843	14,900	26,800
Total personal services	2,880,291	3,161,350	3,190,800
02 Travel	333,012	340,000	346,500
03 Transportation of things	10,109	8,500	9,000
04 Communication services	105,184	106,500	112,500
05 Rents and utility services	31,773	24,500	1,000
06 Printing and reproduction	9,344	7,500	7,500
07 Other contractual services	18,419	19,600	19,100
Services performed by other agencies	35,268	19,700	19,400
08 Supplies and materials	15,926	14,050	14,000
09 Equipment	50,530	42,800	22,700
11 Grants, subsidies, and contributions	182,727	202,100	204,000
13 Refunds, awards, and indemnities	1,355	2,000	2,000
15 Taxes and assessments	412	400	500
1959 program obligated in 1958	23,150	−23,150	
Total obligations	3,697,500	3,925,850	3,949,000

FEDERAL POWER COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the work of the Commission, as authorized by law, including not to exceed [$375,000] *$426,000* for expenses of travel; hire of passenger motor vehicles; and not to exceed $500 for newspapers; [$6,385,000] *$7,425,000,* 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 [$321,400] *$354,200* 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. 617–1 (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, 1959.)*

Appropriated 1959, [a] **$6,505,000** Estimate 1960, **$7,425,000**

[a] Includes $120,000 appropriated in Supplemental Appropriation Act, 1959

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Non-Federal hydroelectric projects	$1,203,470	$1,441,700	$1,605,900
2. Electric power industry	1,041,595	1,133,100	1,134,300
3. Natural gas industry	2,685,164	3,554,500	3,747,100
4. Federal river development projects	346,543	352,500	354,200
5. International Joint Commission	14,408	14,700	14,700
6. Administration	529,427	565,500	568,800
7. 1959 program obligated in 1958	42,245	−42,245	
Total obligations	5,862,852	7,019,755	7,425,000
Financing:			
1959 appropriation available in 1958	−42,245	42,245	
Unobligated balance no longer available	13,393		
New obligational authority	5,834,000	7,062,000	7,425,000
New obligational authority:			
Appropriation	$5,834,000	$6,505,000	$7,425,000
Proposed supplemental due to pay increases		557,000	

The Federal Power Commission administers the Federal Power Act and Natural Gas Act and has additional duties under other acts relating to Federal power development. Legislation will be proposed to collect fees from

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FEDERAL POWER COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

the natural gas and electric power industries to reimburse the Government for the cost of administering the Natural Gas Act and for a portion of similar costs related to the Federal Power Act.

1. *Non-Federal hydroelectric projects.*—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	*1958 actual*	*1959 estimate*	*1960 estimate*
Licensed projects	626	649	664
Applications completed during year	99	115	115
Applications pending (end of year)	127	122	117
Total claimed cost (in millions) of major projects	$4,793	$5,200	$5,600
Annual receipts from licenses	$1,466,839	$2,008,000	$2,317,000

2. *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	*1957 actual*	*1958 estimate*	*1959 estimate*
Number of public utilities regulated	190	190	190
Operating revenues of regulated utilities (in millions)	$7,250	$7,600	$8,200
Number of utilities reporting for statistical purposes	1,300	1,300	1,300
Operating revenues of reporting utilities (in millions)	$10,300	$10,800	$11,600

3. *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. In calendar year 1957, there were approximately 10,000 independent producers. There were also 93 regulated natural-gas pipeline companies, with operating revenues of $3.3 billion. It is estimated that the number of independent producers and pipeline companies will remain substantially unchanged in 1958 and 1959. However, the operating revenues of the pipeline companies are expected to increase to $3.5 billion and $3.8 billion, respectively. Other pertinent data are:

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Certificate applications filed:			
(*a*) Pipeline companies	334	350	350
(*b*) Independent producers	1,519	1,350	1,350
Pipeline gas rate cases handled	79	101	102
Independent producer rate cases handled	1,117	1,664	1,764
Rate cases on hand, end of year	1,129	1,335	1,375
Total rate filings received	8,593	7,800	8,500

4. *Federal river development projects.*—Of a potential 118.1 million kilowatts of hydroelectric power in the United States, 27.9 million kilowatts had been developed by Federal agencies and non-Federal interests as of December 31, 1957.

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 1958, a total of 101 studies were carried on and it is estimated that there will be 100 in 1959 and 100 in 1960.

5. *International Joint Commission.*—A Commission staff member serves on 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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	742	860	890
Full-time equivalent of all other positions	11	9	
Average number of all employees	701	810	862
Number of employees at end of year	764	840	870
Average GS grade and salary	8.7 $6,556	8.7 $7,169	8.7 $7,161
01 Personal services:			
Permanent positions	$4,812,035	$5,870,743	$6,161,900
Positions other than permanent	37,148	32,359	
Other personal services	27,070	22,898	45,100
Total personal services	4,876,253	5,926,000	6,207,000
02 Travel	276,395	375,000	426,000
03 Transportation of things	1,784	3,700	3,800
04 Communication services	65,132	70,600	72,000
05 Rents and utility services	28,817	29,000	28,500
06 Printing and reproduction	112,251	81,400	96,500
07 Other contractual services	40,525	47,500	54,100
Services performed by other agencies	700	500	2,800
08 Supplies and materials	58,690	67,000	73,600
09 Equipment	56,844	76,300	54,000
11 Grants, subsidies, and contributions	299,820	383,000	401,200
13 Refunds, awards, and indemnities	2,196	500	3,000
15 Taxes and assessments	1,200	1,500	2,500
1959 program obligated in 1958	42,245	−42,245	
Total obligations	5,862,852	7,019,755	7,425,000

Permanent authorizations:

PAYMENTS TO STATES UNDER FEDERAL POWER ACT

(Indefinite special fund)

Appropriated (estimate) 1959, **$59,000** Estimate 1960, **$53,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payments to States (total obligations)	$49,495	$59,000	$53,000
Financing:			
Appropriation (new obligational authority)	49,495	59,000	53,000

The States receive 37.5% 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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$49,495	$59,000	$53,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Non-Federal hydroelectric projects	$21,636	$16,000	
2. Federal river development projects	68,321	44,000	
Total obligations	89,957	60,000	
Financing:			
Advances and reimbursements from other accounts	89,957	60,000	

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	8	6	
Number of employees at end of year	0	0	
Average GS grade and salary	12.4 $8,462	11.4 $7,969	
01 Personal services:			
Permanent positions	$67,700	$47,815	
Other personal services		185	
Total personal services	67,700	48,000	
02 Travel	13,355	6,000	
03 Transportation of things	1,510		
04 Communication services	221	300	
05 Rents and utility services	297	300	
06 Printing and reproduction	310	400	
07 Other contractual services	2,004	1,600	
08 Supplies and materials	308	300	
11 Grants, subsidies, and contributions	4,252	3,100	
Total obligations	89,957	60,000	

FEDERAL TRADE COMMISSION

Current authorizations:

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] *$900* for newspapers, services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and not to exceed [$255,250] *$297,250* for expenses of travel, [$5,975,000] *$6,975,000*: *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. (*72 Stat. 1063; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$5,975,000** Estimate 1960, **$6,975,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Antimonopoly:			
(*a*) Investigation and litigation	$2,692,270	$2,910,000	$3,112,000
(*b*) Economic and financial reports	546,530	575,000	575,000
2. Deceptive practices:			
(*a*) Investigation and litigation	1,396,390	1,355,000	1,489,000
(*b*) Trade practice conferences and small business	295,020	311,000	346,000
(*c*) Textile and fur enforcement	460,160	538,000	613,000
(*d*) Lanham Act and insurance	36,770	39,000	39,000
3. Executive direction and management	406,680	423,000	423,000
4. Administration	351,228	364,000	378,000
Total obligations	6,185,048	6,515,000	6,975,000
Financing:			
Unobligated balance no longer available	452		
New obligational authority	6,185,500	6,515,000	6,975,000
New obligational authority:			
Appropriation	$6,185,500	$5,975,000	$6,975,000
Proposed supplemental due to pay increases		540,000	

The Commission has the duty of preserving free competitive enterprise through prevention of monopolistic and unfair trade.

SELECTED WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Applications for complaints received	3,782	4,000	4,200
Investigations instituted	1,023	1,200	1,400
Investigations completed	1,065	1,300	1,400
Investigations pending	1,352	1,500	1,400
Formal complaints issued:			
Antimonopoly	86	90	90
Deceptive practices	268	270	285
Orders to cease and desist issued:			
Antimonopoly	46	60	60
Deceptive practices	235	240	250
Stipulations to cease and desist negotiated	146	150	150
Assurances of discontinuance of violations accepted	1,169	1,400	1,500
Pending cases in litigation	342	350	360
Trade-practice rules promulgated	5	12	14
Penalty suits filed	11	14	14
Penalty suits completed	12	12	12
Appeals before Federal court pending	31	35	40
Appeals before Federal court completed	27	30	35

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 registration and operations of associations of American exporters engaged solely in export trade. In 1960 field investigation and trial of merger and other antimonopoly cases will be expedited.

2. *Deceptive practices.*—False and misleading advertising and other unfair or deceptive practices are prevented by corrective action, including the affirmative aid of voluntary trade-practice conferences and advertising guides; business and the public are protected from the evils of misbranding and nondisclosure of fiber content of manufactured wool products and household textile articles; 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 1960 the Commission will begin enforcement of the Textile Fiber Products Identification Act.

3. *Executive direction and management.*—These also include the adjudicatory functions of the Commission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	746	736	800
Average number of employees	731	731	780
Number of employees at end of year	738	733	795
Average GS grade and salary	9.1 $6,824	9.1 $7,564	9.0 $7,456
01 Personal services:			
Permanent positions	$5,236,448	$5,564,000	$5,844,500
Other personal services	42,367	31,500	55,000
Total personal services	5,278,815	5,595,500	5,899,500
02 Travel	238,376	255,250	297,250
03 Transportation of things	2,695	3,550	7,550
04 Communication services	64,981	69,000	74,000
05 Rents and utility services	21,282	33,600	38,600
06 Printing and reproduction	38,669	30,000	31,060
07 Other contractual services	80,097	87,300	133,300
08 Supplies and materials	76,202	55,000	65,000
09 Equipment	52,181	23,000	46,000
11 Grants, subsidies, and contributions	325,218	362,800	382,800
13 Refunds, awards, and indemnities	5,485		
15 Taxes and assessments	1,047		
Total obligations	6,185,048	6,515,000	6,975,000

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 [$11,000] *$12,000* 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; [$650,000] *$458,000*, of which [$85,000] *$50,000* 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, [1959] *1960*. (*General Government Matters Appropriation Act, 1959.*)

Appropriated 1959 **$565,000** Estimate 1960 **$408,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Administration and settlement of international claims	$386,108	$504,600	$358,000
2. Review of claims programs	100,000	108,200	50,000
Total direct obligations	486,108	612,800	408,000

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FOREIGN CLAIMS SETTLEMENT COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Administration and settlement of—			
(a) International claims	$4,308		
(b) World War II claims	265,000	$92,200	$50,000
Total obligations	755,416	705,000	458,000
Financing:			
Advances and reimbursements from—			
War claims fund	−265,000	−85,000	−50,000
Proposed increase in advances and reimbursements from war claims fund		−7,200	
Other accounts	−4,308		
Unobligated balance no longer available	83,892		
New obligational authority	570,000	612,800	408,000
New obligational authority:			
Appropriation	$570,000	$565,000	$408,000
Proposed supplemental due to pay increases		47,800	

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.*—Processing of claims of United States nationals for the nationalization or other taking of property by Czechoslovakia has been authorized. Funds totaling about $9 million derived from the vesting and sale of Czechoslovakian assets in this country are available as trust funds from which the Treasury will make payments against the awards. A 5% deduction will be made as an offset against appropriations for administrative expenses of the Commission and the Treasury Department. A total of 1,500 to 2,000 claims asking recoveries of about $50 million is anticipated.

Claims of United States nationals against Bulgaria, Hungary, Rumania, Italy, and the Soviet Union will be completed by the statutory deadline of August 9, 1959. As of June 30, 1958, a total of 7,012 claims have been decided, leaving a balance of 3,553 claims for 1959. Reconsideration of about 400 claims will be necessitated by the provisions of Public Law 85–604, amending Public Law 285 (72 Stat. 527). Residual operations in connection with post audit, reporting, and records disposal are required for final disposition of the programs during 1960.

(b) *World War II claims.*—All claims of religious organizations authorized by Public Law 84–997 were decided by the statutory deadline of February 6, 1958. Final settlements pursuant to the funding authority of Public Law 85–884 will be made during 1959. Liquidation of this and previous programs under the War Claims Act will continue during 1960 financed by reimbursement from the war claims fund.

2. *Review of claims programs.*—These operations involve research, reports, documentation, and similar functions responsive to the requirements of the Congress and of other agencies of the Government concerning claims programs and problems.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	115	86	60
Average number of all employees	98	78	46
Number of employees at end of year	86	53	40
Average GS grade and salary	8.0 $5,955	8.5 $7,060	9.2 $7,630
01 Personal service obligations:			
Permanent positions	$670,500	$609,220	$395,460
Other personal services	2,565	4,630	2,540
Total personal service obligations	673,065	613,850	398,000
Direct obligations:			
01 Personal services	431,500	533,170	352,000
02 Travel	6,039	10,000	12,000
03 Transportation of things	115	50	
04 Communication services	6,727	10,630	6,900
06 Printing and reproduction	2,024	4,400	3,200
07 Other contractual services	1,802	2,560	1,900
Services performed by other agencies	8,058	13,120	6,100
08 Supplies and materials	2,040	2,650	2,100
09 Equipment	1,398	1,700	900
11 Grants, subsidies, and contributions	25,987	34,420	22,900
13 Refunds, awards, and indemnities	128		
15 Taxes and assessments	290	100	
Total direct obligations	486,108	612,800	408,000
Reimbursable obligations:			
01 Personal services	241,565	80,680	46,000
02 Travel	833	1,000	
04 Communication services	3,735	1,520	350
06 Printing and reproduction	1,120	900	60
07 Other contractual services	1,000	350	50
Services performed by other agencies	4,474	1,670	400
08 Supplies and materials	1,086	550	150
09 Equipment	833	300	
11 Grants, subsidies, and contributions	14,428	5,180	2,990
13 Refunds, awards, and indemnities	72		
15 Taxes and assessments	162	50	
Total reimbursable obligations	269,308	92,200	50,000
Total obligations	755,416	705,000	458,000

GENERAL ACCOUNTING OFFICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including newspapers and periodicals (not exceeding $500); 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 [$2,000,000] *$2,400,000* for expenses of travel; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); [$37,000,000] *$41,869,000.* (*31 U. S. C. 41, 59, 60, 841; 39 U. S. C. 794–794f; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$37,000,000** Estimate 1960, **$41,869,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Office of the Comptroller General	$35,029	$36,006	$36,374
2. Office of the Assistant Comptroller General	33,585	34,558	34,992
3. Office of the assistant to the Comptroller General	24,831	26,001	26,238
4. Office of legislative liaison	136,499	78,320	79,350
5. Office of administrative services	1,804,068	2,013,385	2,031,746
6. Claims division	3,995,276	4,021,500	3,983,100
7. Transportation division	6,973,146	7,142,500	7,083,500
8. Division of personnel	306,432	315,450	320,900
9. Office of the general counsel	1,276,328	1,460,580	1,506,900
10. Accounting and auditing policy staff	345,606	390,500	386,200
11. Office of staff management	180,002	167,600	172,900
12. Defense accounting and auditing division	5,325,190	6,134,000	6,610,000
13. Civil accounting and auditing division	6,200,657	6,383,000	6,457,500
14. Field operations division	9,304,740	10,574,100	11,731,000
15. European branch	815,012	912,500	967,500
16. Far East branch	256,399	410,000	440,800
Total program costs	37,012,800	40,100,000	41,869,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
17. Relation of costs to obligations: Cost financed from obligations of other years, net (−)	−$3,254		
Total program (obligations)	37,009,546	$40,100,000	$41,869,000
Financing:			
New obligational authority	37,009,546	40,100,000	41,869,000
New obligational authority:			
Appropriation	$37,009,546	$37,000,000	$41,869,000
Proposed supplemental due to pay increases		3,100,000	

The General Accounting Office is directly 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 1958, refunds and collections in the amount of $67,649,522 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 assistant.

4. *Office of legislative liaison.*—The office of legislative liaison 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 $40,162,361 during 1958.

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, and 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 and related requirements for observance by each agency and for the guidance of audit work performed by General Accounting Office auditors; develops internal auditing objectives, principles, 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 processes and financial reporting; reviews agency accounting systems in whole or in part; develops and directs a coordinated program to assure effective application of modern electronic systems and other advanced methods to accounting and related financial operations of the Government; and assists and advises Congress on accounting and auditing policy matters.

11. *Office of staff management.*—This staff performs the staff management function for the accounting, auditing, and investigative activities, which involves (*a*) formulating and executing a recruiting program to obtain a high quality professional staff of accountants, auditors; and investigators; (*b*) developing and carrying out 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, including the audit and settlement of accounts; and the conduct of investigations of matters relating to the receipt, disbursement, and application 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, including the audit and settlement of accounts; and the conduct of investigations of matters relating to the receipt, disbursement, and application 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 United States Government operations in the European area, including 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 United States Government operations in the Far East.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$83,480	$85,256	$85,256	$85,256
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	88,987	66,442	66,442	66,442
Total selected resources at end of year	172,467	151,698	151,698	151,698
Selected resources at start of year (−)	−172,467	−151,698	−151,698	−151,698
Adjustment of selected resources reported at start of year		17,515		
Costs financed from obligations of other years, net (−)		−3,254		

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GENERAL ACCOUNTING OFFICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5,610	5,549	5,604
Full-time equivalent of all other positions	2	1	1
Average number of all employees	5,443	5,414	5,482
Number of employees at end of year	5,389	5,473	5,522
Average GS grades and salary	7.4 $5,594	7.7 $6,315	7.8 $6,442
01 Personal services:			
Permanent positions	$31,791,290	$34,246,198	$35,434,561
Positions other than permanent	19,122	10,700	10,700
Other personal services	291,811	343,102	483,739
Total personal services	32,102,223	34,600,000	35,929,000
02 Travel	1,677,035	2,000,000	2,400,000
03 Transportation of things	74,414	83,000	101,000
04 Communication services	158,741	182,000	182,000
05 Rents and utility services	174,786	139,000	78,000
06 Printing and reproduction	95,080	120,000	120,000
07 Other contractual services	180,090	183,000	186,000
Services performed by other agencies	227,063	236,000	236,000
08 Supplies and materials	215,477	215,000	215,000
09 Equipment	101,636	85,000	85,000
11 Grants, subsidies, and contributions	1,970,959	2,220,500	2,300,500
12 Pensions, annuities, and insurance claims	17,500	17,500	17,500
13 Refunds, awards, and indemnities	11,144	15,000	15,000
15 Taxes and assessments	3,398	4,000	4,000
Total obligations	37,009,546	40,100,000	41,869,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Office of administrative services	$1,552	$1,500	$1,500
2. Defense accounting and auditing division	5,881	5,000	5,000
3. Civil accounting and auditing division	10,150	9,500	9,500
4. Field operations division	34,846	34,000	34,000
5. European branch	259		
Total program (costs—obligations)	52,688	50,000	50,000
Financing:			
Advances and reimbursements from other accounts	52,688	50,000	50,000

Object Classification

Total number of permanent positions	4	4	4
Average number of all employees	4	4	4
Number of employees at end of year	0	0	0
Average GS grades and salary	11.4 $6,849	11.4 $7,530	11.4 $7,530
01 Personal services: Permanent positions	$29,723	$29,000	$29,000
02 Travel	21,593	21,000	21,000
06 Printing and reproduction	1,241		
08 Supplies and materials	131		
Total obligations	52,688	50,000	50,000

HISTORICAL AND MEMORIAL COMMISSIONS

Current authorizations:

ALEXANDER HAMILTON BICENTENNIAL COMMISSION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning the celebration (total obligations)	$25,549		
Financing:			
Unobligated balance brought forward	−25,607		
Unobligated balance no longer available	58		
Appropriation (new obligational authority)			

The Commission completed its work April 30, 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	2		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$19,910		
02 Travel	1,548		
03 Transportation of things	89		
04 Communication services	1,267		
07 Other contractual services	1,980		
08 Supplies and materials	610		
15 Taxes and assessments	145		
Total obligations	25,549		

BOOKER T. WASHINGTON CENTENNIAL COMMISSION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Directing celebration functions (total obligations)	$35,279		
Financing:			
Unobligated balance brought forward	−35,279		
Appropriation (new obligational authority)			

Object Classification

11 Grants, subsidies, and contributions	$35,279		

[BOSTON NATIONAL HISTORIC SITES COMMISSION]

[For expenses necessary to carry out the provisions of the Act of June 16, 1955 (69 Stat. 136), as amended, $20,000.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$20,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning the preservation of historic properties (total obligations)	$16,909	$20,000	
Financing:			
New obligational authority	16,909	20,000	
New obligational authority:			
Appropriation	$349	$20,000	
Reappropriation	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 during 1959 recommending programs for their preservation by local, State, and Federal agencies.

Object Classification

	1958 actual	1959 estimate	1960 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	2	0	
Average GS grade and salary	8.5 $6,337	8.5 $6,698	
01 Personal services:			
Permanent positions	$12,674	$13,395	
Positions other than permanent	1,907	900	
Total personal services	14,581	14,295	

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$424	$400	
04 Communication services	157	150	
06 Printing and reproduction	68	3,715	
07 Other contractual services	784	200	
08 Supplies and materials	155	500	
11 Grants, subsidies, and contributions	697	700	
15 Taxes and assessments	43	40	
Total obligations	16,909	20,000	

Civil War Centennial Commission

For expenses necessary to carry out the provisions of the Act of September 7, 1957 (71 Stat. 626), [$63,000, together with the unobligated balance remaining from the 1958 appropriation for this purpose] *as amended (72 Stat. 1769), $100,000. (Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$63,000** Estimate 1960, **$100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning the commemoration (total obligations)	$23,492	$76,508	$100,000
Financing:			
Unobligated balance no longer available	13,508		
New obligational authority	37,000	76,508	100,000
New obligational authority:			
Appropriation	$37,000	$63,000	$100,000
Reappropriation		13,508	

The years 1961–65 will mark the centennial of the American Civil War. The Commission will prepare plans and programs to provide for appropriate nationwide observances and the coordination of ceremonies to commemorate this experience in our history as a Nation.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	6	6	7
Average number of all employees	2	5	7
Number of employees at end of year	5	6	7
Average GS grade and salary	10.4 $6,949	10.4 $7,648	9.5 $7,167
01 Personal services:			
Permanent positions	$10,108	$47,006	$57,855
Other personal services	39	181	448
Total personal services	10,147	47,187	58,303
02 Travel	1,439	6,000	7,000
04 Communication services	1,427	1,758	3,400
05 Rents and utility services		6,000	7,000
06 Printing and reproduction	969	4,000	9,000
07 Other contractual services	1,655	7,330	9,150
08 Supplies and materials	1,340	1,445	3,335
09 Equipment	6,032	500	
11 Grants, subsidies, and contributions	390	2,193	2,717
13 Refunds, awards, and indemnities	3		
15 Taxes and assessments	90	95	95
Total obligations	23,492	76,508	100,000

Corregidor Bataan Memorial Commission

Appropriated 1959, [a] **$4,433**

[a] Amount authorized by Public Law 85-472, approved June 30, 1958.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning for the memorial (total obligations)	$26,437	$4,433	
Financing:			
Unobligated balance no longer available	$17,563		
Appropriation (new obligational authority)	44,000	$4,433	

The Corregidor Bataan Memorial Commission was established to erect on Corregidor Island a memorial to servicemen who lost their lives while serving in the Pacific area during World War II.

No appropriation was made for 1959; however, the Commission continued operations until August 28, 1958, on authority of the continuing resolution.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2	2	
Average number of all employees	2		
Number of employees at end of year	2	0	
Average GS grade and salary	10 $8,315	10 $9,162	
01 Personal services:			
Permanent positions	$15,859	$4,262	
Other personal services	61		
Total personal services	15,920	4,262	
02 Travel	623	35	
03 Transportation of things	120		
04 Communication services	216	7	
06 Printing and reproduction	643	61	
07 Other contractual services	8,338		
08 Supplies and materials	96	13	
11 Grants, subsidies, and contributions	296	55	
15 Taxes and assessments	185		
Total obligations	26,437	4,433	

Franklin Delano Roosevelt Memorial Commission

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning the memorial (total obligations)	$2,646	$6,993	
Financing:			
Unobligated balance brought forward	−9,639	−6,993	
Unobligated balance carried forward	6,993		
Appropriation (new obligational authority)			

The Commission is formulating plans for the construction of a memorial to Franklin Delano Roosevelt in Washington or its immediate environs.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$1,832	$2,600	
04 Communication services	88	662	
06 Printing and reproduction	16	1,228	
07 Other contractual services	674	2,200	
08 Supplies and materials	36	303	
Total obligations	2,646	6,993	

[Hudson-Champlain Celebration Commission]

[For expenses necessary to carry out the provisions of the Act of August 8, 1958 (Public Law 85-614), $50,000, to remain available until March 1, 1960.] *(Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$50,000**

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HISTORICAL AND MEMORIAL COMMISSIONS—Continued

Current authorizations—Continued

[HUDSON-CHAMPLAIN CELEBRATION COMMISSION]—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning and executing the celebration (total obligations)		$22,330	$27,670
Financing:			
Unobligated balance brought forward			−27,670
Unobligated balance carried forward		27,670	
Appropriation (new obligational authority)		50,000	

Plans will be developed for observing in 1959 the 350th anniversary of the Hudson and Champlain explorations.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		3	3
Average number of all employees		2	2
Number of employees at end of year		3	0
Average GS grade and salary		8.3 $7,010	8.3 $7,100
01 Personal services: Permanent positions		$10,500	$16,000
02 Travel		3,500	2,500
03 Transportation of things		250	
04 Communications services		250	250
05 Rents and utility services		400	400
06 Printing and reproduction		750	4,000
07 Other contractual services		5,000	3,220
08 Supplies and materials		750	250
09 Equipment		250	
11 Grants, subsidies, and contributions		680	1,050
Total obligations		22,330	27,670

JAMESTOWN-WILLIAMSBURG-YORKTOWN CELEBRATION COMMISSION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning the celebration (total obligations)	$75,473		
Financing:			
Unobligated balance no longer available	12,527		
Appropriation (new obligational authority)	88,000		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3		
Full-time equivalent of all other positions	1		
Average number of all employees	4		
Number of employees at end of year	2		
Average GS grade and salary	11.6 $8,921		
01 Personal services:			
Permanent positions	$26,442		
Positions other than permanent	1,369		
Total personal services	27,811		
02 Travel	1,500		
03 Transportation of things	92		
04 Communication services	1,385		
05 Rents and utility services	1,644		
06 Printing and reproduction	20,814		
07 Other contractual services	20,663		
08 Supplies and materials	1,152		
09 Equipment	6		
11 Grants, subsidies, and contributions	329		
15 Taxes and assessments	77		
Total obligations	75,473		

LINCOLN SESQUICENTENNIAL COMMISSION

For expenses necessary to carry out the provisions of the Act of September 2, 1957 (71 Stat. 587), [$350,000] *$145,000.* (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$350,000** Estimate 1960, **$145,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning the celebration (total obligations)	$36,488	$350,000	$145,000
Financing:			
Unobligated balance no longer available	1,012		
Appropriation (new obligational authority)	37,500	350,000	145,000

The year 1959 marks the 150th anniversary of the birth of Abraham Lincoln on February 12, 1809. The Commission is preparing plans and programs for appropriate nationwide observances and the coordination of ceremonies in celebration of his birth.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	6	10	10
Average number of all employees	2	9	7
Number of employees at end of year	8	10	0
Average GS grade and salary	10.5 $7,881	9.5 $7,515	9.5 $7,677
01 Personal services:			
Permanent positions	$7,001	$69,930	$50,000
Other personal services	2	270	
Total personal services	7,003	70,200	50,000
02 Travel	1,383	28,000	19,500
03 Transportation of things		1,500	1,000
04 Communication services	1,099	2,500	1,750
05 Rents and utility services		2,000	670
06 Printing and reproduction	7,401	61,160	47,840
07 Other contractual services	3,455	35,000	5,000
Services performed by other agencies		100,000	
08 Supplies and materials	4,690	6,700	4,000
09 Equipment	11,206	500	
11 Grants, subsidies, and contributions	216	1,320	890
13 Refunds, awards, and indemnities		40,000	13,500
15 Taxes and assessments	35	1,120	850
Total obligations	36,488	350,000	145,000

THEODORE ROOSEVELT CENTENNIAL COMMISSION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Planning the celebration (total obligations)	$53,814	$42,384	$2,000
Financing:			
Unobligated balance brought forward	−98,198	−44,384	−2,000
Unobligated balance carried forward	44,384	2,000	
Appropriation (new obligational authority)			

The Commission is completing (*a*) plans and a program commemorating in 1958 the centennial of the birth of Theodore Roosevelt, and (*b*) plans for completing the development of Theodore Roosevelt Island, Washington, D. C., and the Theodore Roosevelt National Memorial Park, N. Dak.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	8	8	
Average number of all employees	8	7	
Number of employees at end of year	8	0	
Average salary of ungraded positions	$5,857	$5,857	
01 Personal services:			
Permanent positions	$41,386	$32,865	
Other personal services	159	135	
Total personal services	41,545	33,000	
02 Travel	2,795	1,142	
03 Transportation of things	260		
04 Communication services	2,744	2,300	
05 Rents and utility services	108	75	
06 Printing and reproduction	1,110	1,800	$2,000
07 Other contractual services	2,940	2,500	
08 Supplies and materials	1,485	900	
09 Equipment	61		
11 Grants, subsidies, and contributions	137	137	
15 Taxes and assessments	629	530	
Total obligations	53,814	42,384	2,000

INDIAN CLAIMS COMMISSION

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] *$180,000*, of which not to exceed $3,600 shall be available for expenses of travel. (*72 Stat. 155; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$177,700** Estimate 1960, **$180,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Hearing and adjudication of Indian claims (total obligations)	$162,499	$177,700	$180,000
Financing:			
Unobligated balance no longer available	15,201		
Appropriation (new obligational authority)	177,700	177,700	180,000

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. Of the 852 claims filed, 141 have been completed. Payments of awards are dependent upon subsequent appropriations made through the "Claims, judgments, and private relief acts" appropriation to the Treasury Department. These appropriations total $14,987,367 through August 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	17	17	17
Average number of all employees	16	17	17
Number of employees at end of year	17	17	17
Average GS grade and salary	9.4 $6,957	9.8 $7,856	9.6 $7,721
01 Personal services:			
Permanent positions	$146,776	$160,586	$162,196
Other personal services	291	434	774
Total personal services	147,067	161,020	162,970
02 Travel	1,761	3,600	3,600
04 Communication services	1,163	1,600	1,600
06 Printing and reproduction	57	200	200
07 Other contractual services	436	500	500
Services performed by other agencies	610	50	50
08 Supplies and materials	512	520	520
09 Equipment	1,894	440	440
11 Grants, subsidies, and contributions	8,861	9,580	9,930
15 Taxes and assessments	138	190	190
Total obligations	162,499	177,700	180,000

INTERSTATE COMMERCE COMMISSION

Current authorizations:

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 $300); purchase of not to exceed [thirty-four] *fifty-one* passenger motor vehicles of which [fourteen] *nineteen* shall be for replacement only; [and] not to exceed [$1,225,000] *$1,233,800* for expenses of travel; [$17,000,000] *and uniforms or allowances therefor, as authorized by law (5 U. S. C. 2131); $20,150,000*, of which not less than [$1,405,100] *$1,533,200* shall be available for expenses necessary to carry out railroad safety activities and not less than [$966,300] *$1,057,700* shall be available for expenses necessary to carry out locomotive inspection activities: *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, 1959.*)

Appropriated 1959, [a] **$17,300,000** Estimate 1960, **$20,150,000**

[a] Includes $300,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Regulation of carriers' rates, practices, operating authorities, and finance	$4,131,247	$4,745,104	$5,228,505
2. Compliance	4,325,033	4,575,792	4,905,975
3. Supervision and analysis of carriers' accounting and statistics	2,393,464	2,601,097	2,854,005
4. Supervision and interpretation of tariffs	1,133,847	1,259,618	1,341,216
5. Railroad safety and car service:			
(a) Car service	872,505	979,906	996,340
(b) Railroad safety	1,420,542	1,519,000	1,533,200
(c) Locomotive inspection	985,875	1,045,000	1,057,700
6. Defense mobilization	162,258		
7. Executive and advisory functions	1,030,458	1,093,860	1,180,033
8. General management and administration	946,969	1,004,623	1,053,026
Total obligations	17,402,198	18,824,000	20,150,000
Financing:			
Unobligated balance no longer available	10,177		
New obligational authority	17,412,375	18,824,000	20,150,000
New obligational authority:			
Appropriation	$17,412,375	$17,300,000	$20,150,000
Proposed supplemental due to pay increases		1,524,000	

The Commission regulates common carriers engaged in interstate and foreign commerce, including railroads, motor carriers, water carriers, pipelines, and contract carriers by motor vehicle and water.

The increase of $1,326,000 is requested in order to process the continually increasing number of applications for motor carrier permanent and temporary operating authority, to handle additional duties and responsibilities placed on the Commission by the Transportation Act of 1958, to improve the development of economic and cost data necessary to regulatory activities, and to provide more adequate level of compliance with tariff and other provisions of the Interstate Commerce and related acts 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 and extensions of railroad lines, guarantee of loans to railroads, and reviewing applications for discontinuance or change of the operation or service of trains and ferries, financial reorganizations, and rate agreements between carriers.

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INTERSTATE COMMERCE COMMISSION—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

2. *Compliance.*—This activity is directed to the enforcement of statutes and regulations affecting transportation and carriers. 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; depreciation rates and reserves are developed for railroad and pipeline properties; studies and analyses are made of operating costs for use in rate proceedings; inventory and cost records are maintained of railroad and pipeline properties; elements of value are developed for consideration in rate and reorganization proceedings and finding final property values; statistics are compiled from carriers' reports and studies 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. Under certain conditions authority to publish rates on less-than-statutory notice is granted, 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.*—This program was liquidated in 1958.

7. *Executive and advisory functions.*—These also include the quasi-judicial and quasi-legislative functions of the Commission.

SELECTED WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Application for permanent operating authorities:			
Received during year	3,691	7,048	4,573
Disposed of during year	3,762	4,383	6,085
Other motor carrier proceedings:			
Received during year	109	138	170
Disposed of during year	79	81	100
Applications for conversion and investigation:			
Received during year	731	30	20
Disposed of during year	155	195	160
Cases involving finance matters:			
Received during year	2,126	2,106	2,109
Disposed of during year	2,088	2,065	2,100
Rate proceedings:			
Motor carriers:			
Filed during year	1,764	1,855	2,015
Disposed of during year	1,757	1,871	2,007
Other:			
Filed during year	595	565	565
Disposed of during year	600	569	638
Enforcement activities:			
Investigations instituted	1,404	1,500	1,530
Investigations concluded	1,032	1,200	1,675
Court proceedings instituted	651	750	775
Court proceedings concluded	499	800	900
Field audits of carrier accounts	1,164	1,225	1,425
Number of tariffs filed during year	176,912	184,000	186,000
Safety activities:			
Motor carriers:			
Number of accidents investigated	353	864	903
Safety surveys of carriers' operations	9,269	10,049	10,204
Number of vehicles inspected	75,346	66,800	69,800
Unsafe vehicles ordered out of service	13,951	11,500	11,000
Rail carriers:			
Safety appliances inspected	1,200,163	1,355,000	1,355,000
Number of locomotives inspected	95,593	103,650	106,700

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,284	2,346	2,485
Average number of all employees	2,238	2,287	2,437
Number of employees at end of year	2,260	2,296	2,434
Average GS grade and salary	8.3 $6,106	8.4 $6,794	8.4 $6,726
01 Personal services:			
Permanent positions	$14,241,816	$15,597,662	$16,468,415
Positions other than permanent	3,669		
Other personal services	66,403	69,587	134,875
Total personal services	14,311,888	15,667,249	16,603,290
02 Travel	1,107,438	1,144,250	1,233,800
03 Transportation of things	25,734	26,300	29,000
04 Communication services	101,051	106,500	112,700
Penalty mail	55,019	61,514	76,514
05 Rents and utility services	81,742	107,000	122,000
06 Printing and reproduction	204,689	190,000	257,000
07 Other contractual services	157,872	149,407	163,178
08 Supplies and materials	232,628	205,593	236,933
09 Equipment	266,847	162,290	250,340
11 Grants, subsidies, and contributions	846,748	994,397	1,055,745
13 Refunds, awards, and indemnities	208	500	500
15 Taxes and assessments	10,334	9,000	9,000
Total obligations	17,402,198	18,824,000	20,150,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$19,658	$7,000	$7,000
Financing:			
Advances and reimbursements from—			
Other accounts	12,219	5,600	5,100
Non-Federal sources (40 U. S. C. 481 (c); 5 U. S. C. 61b)	7,439	1,400	1,900
Total financing	19,658	7,000	7,000

Object Classification

Average number of all employees	1	1	1
Number of employees at end of year	0	0	0
01 Personal services: Positions other than permanent	$10,506	$4,600	$4,100
02 Travel	3,261	1,000	1,000
09 Equipment	5,891	1,400	1,900
Total obligations	19,658	7,000	7,000

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

Current authorizations:

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, 1959.*)

Appropriated 1959, **$5,000** Estimate 1960, **$5,000**

Program and Financing

	1958 actual	1959 estimate	1960 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

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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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$5,000	$5,000	$5,000

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

NOTE.—Pursuant to the National Aeronautics and Space Act of 1958 (Public Law 85-568) this Committee has been transferred to and consolidated with the National Aeronautics and Space Administration.

[NATIONAL AERONAUTICS AND SPACE ADMINISTRATION]

[SALARIES AND EXPENSES]

[For necessary expenses, not otherwise provided for, of the National Aeronautics and Space Administration, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131), $5,000,000.] *(72 Stat. 426; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$5,000,000**
Appropriated (adjusted) 1959, **$83,100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Aircraft, missile, and spacecraft research:			
(*a*) Aerodynamics and flight mechanics	$43,658,690	$48,340,000	
(*b*) Propulsion	19,709,942	21,640,000	
(*c*) Structures	8,672,725	9,598,910	
(*d*) Operating problems	2,326,274	2,700,000	
2. Space flight development and operations		2,540,000	
3. Headquarters management and coordination	1,891,774	3,940,000	
Total program costs	76,259,405	88,758,910	
Supplies or services transferred in (−) without charge, net	−1,866,959	−1,300,000	
Total program costs, funded	74,392,446	87,458,910	
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,016,691	
Obligations incurred for costs of other years, net	2,664,948		
Total program (obligations)	77,057,394	85,442,219	
Financing:			
Comparative transfers from (−) other accounts	−76,045,613		
1959 appropriation available in 1958	−1,011,781	1,011,781	
New obligational authority		86,454,000	
New obligational authority:			
Appropriation		$5,000,000	
Transferred from "Salaries and expenses," National Advisory Committee for Aeronautics (72 Stat. 432)		78,100,000	
Appropriation (adjusted)		83,100,000	
Proposed supplemental due to pay increases		3,354,000	

The National Aeronautics and Space Administration was established on October 1, 1958, to carry out research and development directed toward improving the technology of flight both within and outside the atmosphere and to conduct operations aimed at the exploration of space for peaceful purposes.

The Administration's activities are carried out at its seven research or operations centers, at various other locations where tracking of satellites and other space vehicles is performed, by contract with universities and private industry, and at other Government facilities, especially those of the Department of Defense. The Administration's scientific centers include 3 research laboratories operated by the Government and 1 operated by contract, a space projects center, and 2 flight stations. This work involves activities ranging from theoretical studies conducted with the aid of wind tunnels and other specialized equipment to flights of research aircraft and launching of space vehicles.

The amounts appropriated herein provide for operations carried on in the Administration's facilities; those carried on by contract are provided for in the research and development appropriation. In view of the congressional requirement for special authorization of additional appropriations during 1959 and 1960, the funds being requested for 1960 are shown at the end of this section under the heading Proposed for later transmission.

1. *Aircraft, missile, and spacecraft research.*—The research conducted under this activity is aimed at improving the design and performance of virtually all types of flight vehicles. The specific types of research programs carried out are described below.

(*a*) *Aerodynamics and flight mechanics.*—Research in this field is conducted on the aerodynamic, stability, control, and similar problems encountered in a wide range of flight regimes from the relatively slow speeds experienced by all vehicles at takeoff to the extreme conditions encountered by ballistic missiles, hypersonic aircraft, orbital vehicles, and spacecraft.

(*b*) *Propulsion.*—Increased emphasis is being placed upon high energy rocket engines and fuels, on nuclear power for propulsion, and on ion and plasma propulsion systems for spacecraft. Research is being continued on advanced turbojet, ramjet, rocket, and other modern propulsion systems, and on improved fuels for these types of engines.

(*c*) *Structures.*—This program is concerned with research on the response of structures and materials to the environments imposed by flight at various altitudes and speeds. Present research emphasizes the structural and materials problems involved in the reentry of ballistic missiles, satellites, and spacecraft into the atmosphere, and those resulting from hypersonic and supersonic flight.

(*d*) *Operating problems.*—Research in this field is concerned with certain of the problems of manned space flight, and with other problems, such as icing, turbulence, noise, and fire, widely encountered in aircraft operations.

2. *Space flight development and operations.*—This activity provides for in-house programs directly associated with the Administration's space operations, including, for example, the development of optimized satellite payloads, systems studies of spacecraft, and overall control of satellite and space probe launchings and tracking.

3. *Headquarters management and coordination.*—Central direction of the Administration's research programs, development projects, and flight operations, and admin-

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[NATIONAL AERONAUTICS AND SPACE ADMINISTRATION]—Continued

Current authorizations—Continued

[SALARIES AND EXPENSES]—Continued

istration of research and development contracts are provided for under this activity.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$1,240,878	$2,514,811	$1,800,000	
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	2,877,153	5,472,781	4,200,000	
Advances (payments for goods and services on order not yet received)	43,559	94,869	88,000	
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−3,700,005	−4,677,125	−4,700,000	
Unapplied costs (costs incurred not yet assigned to activities)	170,719	382,480	383,125	
Total selected resources at end of year	632,304	3,787,816	1,771,125	
Selected resources at start of year (−)		−632,304	−3,787,816	
Adjustment of selected resources reported at start of year		−490,564		
Costs financed from obligations of other years, net (−)			−2,016,691	
Obligations incurred for costs of other years, net		2,664,948		

Selected resources at the end of 1959 will be utilized in support of the 1960 program to be financed from the amount anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	7,892	8,961	
Full-time equivalent of all other positions	1	3	
Average number of all employees	7,806	8,300	
Number of employees at end of year	7,818	8,906	
Average GS grade and salary	8.9 $6,902	9.1 $7,300	
Average salary for grades established by the Administrator of the NASA	$5,766	$6,000	
01 Personal services:			
Permanent positions	$50,857,864	$58,342,595	
Positions other than permanent	925	20,000	
Other personal services	517,584	614,305	
Total personal services	51,376,373	58,976,900	
02 Travel	402,178	1,212,500	
03 Transportation of things	201,973	279,000	
04 Communication services	224,348	438,450	
05 Rents and utility services	1,280,515	2,089,400	
Electric power	6,349,831	7,052,900	
06 Printing and reproduction	119,476	139,140	
07 Other contractual services	689,229	785,763	
Research contracts	410,000	850,000	
Repairs and alterations	1,119,757	1,055,270	
Services performed by other agencies	115,284	135,330	
Research services	90,000	150,000	
Security investigations	118,015	180,000	
08 Supplies and materials	7,120,273	6,099,652	
09 Equipment	3,275,013	3,250,150	
11 Grants, subsidies, and contributions	3,141,148	3,740,275	
13 Refunds, awards, and indemnities	2,079	5,000	
15 Taxes and assessments	10,121	14,270	
1959 program obligated in 1958	1,011,781	−1,011,781	
Total obligations	77,057,394	85,442,219	

[RESEARCH AND DEVELOPMENT]

[For contractual research, development, operations, technical services, repairs, alterations, and minor construction, and for supplies, materials, and equipment necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration, including purchase of three passenger motor vehicles, $50,000,000, to remain available until expended.] (*72 Stat. 426; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$50,000,000**
Appropriated (adjusted) 1959, **$171,078,250**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Aircraft, missile, and spacecraft research		$2,500,000	$3,000,000
2. Scientific investigations in space		35,700,000	57,241,282
3. Satellite applications investigations		2,000,000	4,000,000
4. Space operations technology		6,000,000	15,000,000
5. Space propulsion technology		9,378,250	21,500,000
6. Tracking and data acquisition		3,500,000	800,000
Total program costs		59,078,250	101,541,282
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−101,541,282
Obligations incurred for costs of other years, net		137,541,282	
Total program (obligations)		196,619,532	
Financing:			
Unobligated balance transferred from "United States scientific satellite," Department of Defense (72 Stat. 433)		−25,541,282	
New obligational authority		171,078,250	
New obligational authority:			
Appropriation		$50,000,000	
Transferred (72 Stat. 433) from—			
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense"		59,200,000	
"Aircraft, missiles, and related procurement, Air Force"		45,100,000	
"Research, development, test, and evaluation, Air Force"		12,700,000	
"Research, development, test, and evaluation, Army"		4,078,250	
Appropriation (adjusted)		171,078,250	

This appropriation provides for the cost of contractual research, development, operations, technical services, procurement of space vehicles and components, and purchase of minor equipment and supplies. In addition, the costs of operating the Jet Propulsion Laboratory, a Government-owned, contractor-operated research center transferred to the Administration from the Department of Defense, are included.

Supplemental funds for 1959 and the amount anticipated for 1960 are shown under Proposed for later transmission.

1. *Aircraft, missile, and spacecraft research.*—This activity provides for scientific research performed by universities and industrial organizations; the specific research contracts involved supplement the investigations carried out in the Administration's centers.

2. *Scientific investigations in space.*—The contractual costs of providing and launching sounding rockets, earth satellites, lunar and interplanetary probes and instrumentation payloads for scientific observations are covered in this activity. During 1959, the remaining costs of the Vanguard program are included.

3. *Satellite applications investigations.*—This activity includes studies and tests of meteorological and communications satellites.

4. *Space operations technology.*—The 1959 program under this activity provides for the contractual portion of the man-in-space project.

5. *Space propulsion technology.*—This activity provides for contractual development of advanced propulsion techniques and systems not yet ready for use in the space projects supported under the foregoing activities. Work is underway or is to be started on a nuclear rocket engine, a million pound thrust liquid rocket engine, advanced solid fuel rockets, high energy liquid fuel rockets, and ion and plasma propulsion systems. The projects under this activity complement the exploratory work in propulsion carried on by the Administration's research centers.

6. *Tracking and data acquisition.*—Contractual operation of certain of the Administration's spacecraft tracking

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systems, including the Minitrack system for tracking scientific satellites, is included.

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

	1959 estimate	*1960 estimate*
Selected resources at end of year: Inventories and items on order:		
Stores (goods unconsumed by projects)	$12,000,000	$15,000,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	125,541,282	21,000,000
Total selected resources at end of year	137,541,282	36,000,000
Selected resources at start of year (−)		−137,541,282
Costs financed from obligations of other years, net (−)		−101,541,282
Obligations incurred for costs of other years, net	137,541,282	

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		161	
Average number of all employees		93	
Number of employees at end of year		161	
Average GS grade and salary		9.5 $7,674	
Average salary for grades established by the Administrator of the National Aeronautics and Space Administration		$4,701	
01 Personal services:			
Permanent positions		$708,000	
Other personal services		197,000	
Total personal services		905,000	
02 Travel		$350,000	
07 Other contractual services		5,000	
Contractual research, development, operations, technical service, repairs, alterations, and minor construction:			
By universities		19,078,250	
By Government agencies		83,145,282	
By non-Government agencies		20,805,000	
Alterations		250,000	
08 Supplies and materials		64,565,000	
09 Equipment		7,470,000	
11 Grants, subsidies, and contributions		45,000	
15 Taxes and assessments		1,000	
Total obligations		196,619,532	

[Construction and Equipment]

[For construction and equipment at laboratories and other installations of the National Aeronautics and Space Administration and for the acquisition or condemnation of real property, as authorized by law, $25,000,000, to remain available until expended.] (*72 Stat. 426; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$25,000,000**
Appropriated (adjusted) 1959, **$48,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			Appropriation required to complete
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1960	
Program by activities:									
1. Langley Research Center	$51,931,735	$13,602,301	$7,774,896	$9,800,000	$11,000,000	$20,754,538	$9,754,538		
2. Ames Research Center	19,017,930	2,607,901	913,043	1,950,000	9,000,000	13,546,986	4,546,986		
3. Lewis Research Center	47,208,189	12,173,354	7,469,374	11,000,000	6,000,000	16,565,461	10,565,461		
4. Space Projects Center	3,750,000			750,000	3,000,000	3,000,000			
5. Pilotless Aircraft Station	23,034,044	72,574	163,234	3,500,000	8,000,000	19,298,236	11,298,236		
Reserves	45,319					45,319	45,319		
Total program costs	144,987,217	28,456,130	16,320,547	27,000,000	37,000,000	73,210,540	36,210,540		
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)					−24,000,000				
Obligations incurred for costs of other years, net			3,797,559	21,276,830					
Total program (obligations)			20,118,106	48,276,830	13,000,000				
Financing:									
Comparative transfers from (−) other accounts			−20,118,106						
Unobligated balance brought forward					−29,154,808				
Unobligated balance transferred from "Construction and equipment," National Advisory Committee for Aeronautics (72 Stat. 432)				−29,431,638					
Unobligated balance carried forward				29,154,808	16,154,808				
New obligational authority				48,000,000					
New obligational authority:									
Appropriation				$25,000,000					
Transferred from "Construction and equipment," National Advisory Committee for Aeronautics (72 Stat. 432)				23,000,000					
Appropriation (adjusted)				48,000,000					

This appropriation provides for the modernization of existing facilities, the construction of new facilities, and the purchase of items of equipment to support the mission of the National Aeronautics and Space Administration. Typical items financed through this appropriation include wind tunnels, laboratory buildings, rocket launch sites, tracking stations, computers, and major pieces of instrumentation.

The costs shown as incurred in 1960 at all locations relate entirely to construction projects authorized in prior years. Additional facilities to be requested for 1960 and supplemental funds being requested for 1959 are shown at the end of this section under the heading Proposed for later transmission.

1. *Langley Research Center.*—Projects presently underway at this center include, for example, construction of a data reduction center, a high temperature structural research facility, hypersonic aerodynamics facilities, and improvements to existing facilities.

2. *Ames Research Center.*—Construction is proceeding on facilities such as several hypersonic wind tunnels, a hypervelocity research facility and modifications to existing facilities.

3. *Lewis Research Center.*—A high energy rocket research facility and one to permit experimentation on space propulsion systems are among the projects being constructed.

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[NATIONAL AERONAUTICS AND SPACE ADMINISTRATION]—Continued

Current authorizations—Continued

[CONSTRUCTION AND EQUIPMENT]—Continued

4. *Space Projects Center.*—Work is proceeding on the laboratory and administrative facilities provided for in 1959.

5. *Pilotless Aircraft Station.*—The current construction program will increase the launching capabilities of this station.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$18,925,630	$22,163,679	$43,305,732	$19,405,732
Advances (payments for goods and services on order not yet received)	55,713	615,223	750,000	650,000
Total selected resources at end of year	18,981,343	22,778,902	44,055,732	20,055,732
Selected resources at start of year (−)		−18,981,343	−22,778,902	−44,055,732
Costs financed from obligations of other years, net (−)				−24,000,000
Obligations incurred for costs of other years, net		3,797,559	21,276,830	

Object Classification

		1958 actual	1959 estimate	1960 estimate
09	Equipment	$2,000,000	$5,400,000	$2,000,000
10	Lands and structures	18,118,106	42,876,830	11,000,000
	Total obligations	20,118,106	48,276,830	13,000,000

[No appropriation may be made to the National Aeronautics and Space Administration for any period prior to June 30, 1960, unless previously authorized by legislation hereafter enacted by the Congress.] (*Supplemental Appropriation Act, 1959.*)

[SALARIES AND EXPENSES] (NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS)

[For necessary expenses of the Committee, including contracts for the making of special investigations and reports (not to exceed $1,000,000) and for engineering, drafting and computing services; not to exceed $412,500 for expenses of travel; maintenance and operation of aircraft; purchase of fifteen 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); $78,100,000.] (*50 U. S. C. 151, 158, 159, 160, 42 Stat. 426; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$78,100,000**
Appropriated (adjusted) 1959, **$0**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Compartive transfers to other accounts	$76,045,613		
Unobligated balance no longer available	30,596		
New obligational authority	76,076,209		
New obligational authority:			
Appropriation	$76,076,209	$78,100,000	
Transferred to "Salaries and expenses," National Aeronautics and Space Administration (72 Stat. 432)		−78,100,000	
Appropriation (adjusted)	76,076,209		

[CONSTRUCTION AND EQUIPMENT] (NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS)

[For construction and equipment at laboratories and research stations of the Committee, $23,000,000, to remain available until expended.] (*50 U. S. C. 151b, 42 Stat. 426; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$23,000,000**
Appropriated (adjusted) 1959, **$0**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$20,118,106		
Unobligated balance brought forward	−8,378,650	−$29,431,638	
Unobligated balance transferred to "Construction and equipment," National Aeronautics and Space Administration (72 Stat. 432)		29,431,638	
Unobligated balance carried forward	29,431,638		
Unobligated balance no longer available	28,906		
New obligational authority	41,200,000		
New obligational authority:			
Appropriation	$41,200,000	$23,000,000	
Transferred to "Construction and equipment," National Aeronautics and Space Administration (72 Stat. 432)		−23,000,000	
Appropriation (adjusted)	41,200,000		

CONSTRUCTION AND EQUIPMENT (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Langley Research Center	$29,828		
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−29,828		
Total program (obligations)			

Relation of costs to obligations.—The balance of unpaid undelivered orders on June 30, 1957, was $29,828.

CONSTRUCTION AND EQUIPMENT, UNITARY PLAN

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Langley Research Center	$65,441	$10,798	
2. Ames Research Center	110,607	4,685	
3. Lewis Research Center	296,659	43,152	
Total program costs	472,707	58,635	
4. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−322,373	−42,726	
Total program (obligations)	150,334	15,909	
Financing:			
Unobligated balance brought forward	−268,243	−117,909	
Unobligated balance carried forward	117,909		
Unobligated balance no longer available		102,000	
Appropriation (new obligational authority)			

The funds are the remaining balances of a $75 million appropriation made in 1950 for the construction of 3 large supersonic wind tunnels which were placed in operation during 1956. No further activity is anticipated under this appropriation.

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: June 30, 1957, $365,099; 1958, $42,726.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures	$150,334	$15,909	

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Total program (costs—obligations)			$94,430,000
Financing:			
Proposed supplemental appropriation			94,430,000

Under proposed legislation, 1960.—Funds anticipated for 1960 are to provide for the in-house activities of the Administration, including the operation of the Langley, Ames, and Lewis Research Centers and the High-Speed Flight Station where research to improve the design and performance of aircraft, missiles, and spacecraft are conducted; the operation of the Space Projects Center which develops optimized payloads for scientific investigations in space and controls the launching and tracking of the Administration's space vehicles; the operation of the Pilotless Aircraft Station where launchings of research models and of vehicles for scientific investigations in space are to take place; and headquarters functions of the Administration.

RESEARCH AND DEVELOPMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Total program (costs—obligations)		$20,750,000	$333,070,000
Financing:			
Proposed supplemental appropriation		20,750,000	333,070,000

Under proposed legislation, 1959 and 1960.—The supplemental appropriation anticipated for 1959 is entirely for contracts related to the program for developing the technology of manned space flight.

The 1960 amount is for the contractual portion of additional scientific investigations in space through the use of satellites and probes; increased effort on advanced space technology, including manned space flight, booster and in-space propulsion systems, and rendezvous techniques; meteorological and communications applications of space vehicles; the operation of tracking and data acquisition stations; and the contractual operation of the Jet Propulsion Laboratory. In addition, procurement of supplies and minor equipment for the Administration's research centers previously funded under the Salaries and expenses appropriation will be funded under this appropriation.

CONSTRUCTION AND EQUIPMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Total program (costs—obligations)		$24,250,000	$57,800,000
Financing:			
Proposed supplemental appropriation		24,250,000	57,800,000

Under proposed legislation, 1959 and 1960.—Supplemental funds anticipated for 1959 are to provide tracking and control equipment at various locations in support of scientific and developmental space vehicle operations; space propulsion system development facilities; and facilities for the Jet Propulsion Laboratory.

Funds for facilities and equipment anticipated for 1960 include the second increment of the Space Projects Center at Beltsville, Md.; establishment of special launching facilities at the Pacific Missile Range; additional tracking and control equipment at various locations; additional propulsion development facilities; a new facility at the Lewis Research Center for research on ion and plasma propulsion for space vehicles; equipment and facilities at the High-Speed Flight Station in support of the X–15 research aircraft program; a data reduction center for the Ames Research Center; and various improvements to increase the capabilities of existing facilities at the Langley, Ames, and Lewis Research Centers.

NATIONAL CAPITAL HOUSING AUTHORITY

Current authorizations:

OPERATION AND MAINTENANCE OF PROPERTIES

For the operation and maintenance of properties under title I of the District of Columbia Alley Dwelling Act, [$38,000] *$45,000*: *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, 1959.*)

Appropriated 1959, **$38,000** Estimate 1960, **$45,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operation and maintainance of title I properties (total obligations)	$35,666	$38,000	$45,000
Financing:			
Unobligated balance no longer available	2,334		
Appropriation (new obligational authority)	38,000	38,000	45,000

The Authority operates 112 low-rent housing units under title I of the District of Columbia Alley Dwelling Act. Operations are financed by appropriations; receipts are paid into the Treasury, as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Rental receipts	$52,364	$52,000	$52,000
Routine operating expense	34,340	36,040	38,130
Major repairs and replacements	1,326	1,960	6,870
Total obligations	35,666	38,000	45,000
Net income	16,698	14,000	7,000

Object Classification

		1958 actual		1959 estimate		1960 estimate
	Average number of all employees		5		5	5
	Number of employees at end of year		5		5	5
	Average GS grade and salary	6.6	$5,494	6.5	$5,696	6.5 $5,715
	Average salary of ungraded positions		$4,032		$4,139	$4,140
01	Personal services:					
	Positions other than permanent		$20,752		$21,360	$22,613
	Other personal services		737		750	750
	Total personal services		21,489		22,110	23,363
02	Travel		45		45	45
04	Communication services		260		260	260
05	Rents and utility services		6,855		7,163	7,315
06	Printing and binding		45		45	45
07	Other contractual services		1,682		2,474	7,092
08	Supplies and materials		3,132		3,624	3,810
09	Equipment		660		750	1,420
11	Grants, subsidies, and contributions		1,498		1,529	1,650
	Total obligations		35,666		38,000	45,000

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NATIONAL CAPITAL PLANNING COMMISSION

Current authorizations:

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] *$225* 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] *$475,000.* (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$225,000** Estimate 1960, **$475,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Planning (total program costs) [1]	$229,867	$245,000	$475,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	1,340		
Total program (obligations)	231,207	245,000	475,000
Financing:			
New obligational authority	231,207	245,000	475,000
New obligational authority:			
Appropriation	$231,207	$225,000	$475,000
Proposed supplemental due to pay increases		20,000	

[1] Includes capital outlay as follows: 1958, $3,126; 1959, $900; 1960, $12,000.

1. *Planning.*—The National Capital Planning Commission is charged with planning the orderly development and redevelopment of the National Capital and the conservation of the important natural and historical features thereof. The National Capital Regional Planning Council coordinates planning in the counties and cities of the metropolitan area. The appropriation provides for both Commission and Council.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $5,600; 1958, $6,940; 1959, $6,940; 1960, $6,940.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	28	28	47
Full-time equivalent of all other positions	1		2
Average number of all employees	24	28	46
Number of employees at end of year	27	28	47
Average GS grade and salary	9.6 $7,085	9.2 $7,542	9.6 $7,568
01 Personal services:			
Permanent positions	$174,804	$196,063	$345,719
Positions other than permanent	12,511	3,050	24,500
Other personal services	2,728	1,950	3,850
Total personal services	190,043	201,063	374,069
02 Travel	2,786	5,500	8,000
04 Communication services	2,367	3,150	5,000
06 Printing and reproduction	7,526	3,250	23,750
07 Other contractual services	10,561	11,812	19,192
08 Supplies and materials	3,681	5,200	7,500
09 Equipment	2,256	1,000	12,314
11 Grants, subsidies, and contributions	10,234	13,175	23,675
13 Refunds, awards, and indemnities		200	500
15 Taxes and assessments	413	650	1,000
Total costs	229,867	245,000	475,000
Obligations incurred for costs of other years (unpaid and undelivered orders), net	1,340		
Total obligations	231,207	245,000	475,000

Land Acquisition, National Capital Park, Parkway, and Playground System

[Not exceeding $50,000] *For necessary expenses for the National Capital Planning Commission for acquisition of land for the park, parkway, and playground system of the National Capital, as authorized by the Act of May 29, 1930 (46 Stat. 482), as amended, to remain available until expended, $4,389,000, of which (a) $1,562,000 shall be available for the purposes of section 1 (a) of said Act of May 29, 1930, (b) $751,000 shall be available for the purposes of section 1 (b) thereof, (c) $152,000 shall be available for the purposes of section 1 (c) thereof, and (d) $1,924,000 shall be available for the purposes of section 4 thereof: Provided, That not exceeding $183,000* 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. (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Estimate 1960, **$4,389,000**

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			Appropriation required to complete
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources start of year	Add selected resources end of year	Appropriation required for 1960	
Program by activities:									
1. George Washington Memorial Parkway:									
(a) Maryland	$3,375,000	$805,956	$22,915	$145,782	$1,000,000			$1,000,000	$1,400,347
(b) Virginia	3,375,000	644,480	20,000	323,569	562,000	$250,662	$250,662	562,000	1,574,289
2. Stream valley parks:									
(a) Maryland	5,250,000	2,726,368	60,539	626,845	751,000			751,000	1,085,248
(b) Virginia	4,500,000				152,000			152,000	4,348,000
3. Park, parkway, and playground system in the District of Columbia	16,000,000	11,783,660	843,192	969,693	1,924,000	479,283	479,283	1,924,000	172
Total program costs	32,500,000	15,960,464	946,646	2,065,889	4,389,000	729,945	729,945	4,389,000	8,408,056
4. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−413,055						
Total program (obligations)			533,591	2,065,889	4,389,000				
Financing:									
Unobligated balance brought forward			−1,206,480	−2,065,889					
Unobligated balance carried forward			2,065,889						
Appropriation (new obligational authority)			1,393,000		4,389,000				

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The National Capital Planning Commission acquires land for the comprehensive development of the park, parkway, and playground system in the District of Columbia and its environs.

1. *George Washington Memorial Parkway.*—Land is acquired in Maryland and Virginia along the shores of the Potomac River, above and below Washington from Great Falls to Mount Vernon. One-half of the cost is borne by local jurisdictions. Funds requested herein are for the Fairfax County section from Central Intelligence Agency at Langley to the proposed Cabin John crossing of the Potomac River, 2 miles of the gorge of the Potomac in the vicinity of Great Falls, Va., and the major part of land acquisition costs from the District of Columbia line to Fort Washington in Maryland.

2. *Stream valley parks.*—Land is acquired by public bodies in Maryland and Virginia with the aid of a one-third contribution from the National Capital Planning Commission.

3. *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. The 1960 program includes funds to acquire the remaining lands for the National Cultural Center.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $1,143,000; 1958, $729,945; 1959, $729,945; 1960, $729,945.

Object Classification

	1958 actual	1959 estimate	1960 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 $6,660	8.0 $7,468	8.0 $7,468
01 Personal services:			
Permanent positions	$12,730	$29,507	$14,935
Other personal services	57	60	125
Total personal services	12,787	29,567	15,060
02 Travel	353	300	1,000
06 Printing and reproduction	158	750	2,000
07 Other contractual services	338	16,733	161,965
08 Supplies and materials		250	1,000
09 Equipment		500	1,000
10 Lands and structures	872,228	1,389,044	3,306,000
11 Grants, subsidies, and contributions	782	1,900	975
Grants to Maryland and Virginia	60,000	626,845	900,000
Total costs	946,646	2,065,889	4,389,000
Costs financed from obligations of other years, net (−)	−413,055		
Total obligations	533,591	2,065,889	4,389,000

Salaries and Expenses, Washington Regional Mass Transportation Survey

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Transportation survey (total program costs)	$86,358	$167,596	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−31,499	−111,000	
Total program (obligations)	54,859	56,596	
Financing:			
Unobligated balance brought forward		−56,596	
Unobligated balance carried forward	56,596		
New obligational authority	111,455		
New obligational authority:			
Appropriation	$50,000		
Reappropriation	61,455		

1. *Transportation survey.*—Available appropriations will permit completion of this work by June 30, 1959.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$164,621	$111,000		
Selected resources at start of year (−)		−164,621	−$111,000	
Adjustment of selected resources reported at start of year		22,122		
Costs financed from obligations of other years, net (−)		−31,499	−111,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3	2	
Average number of all employees	2	2	
Number of employees at end of year	1	2	
Average GS grade and salary	8.0 $6,417	9.0 $7,353	
01 Personal services:			
Permanent positions	$9,335	$12,706	
Positions other than permanent	14,865		
Total personal services	24,200	12,706	
02 Travel	3	450	
04 Communication services	457	600	
06 Printing and reproduction	6,878	26,000	
07 Other contractual services	54,119	126,600	
08 Supplies and materials		415	
11 Grants, subsidies, and contributions	533	825	
15 Taxes and assessments	168		
Total costs	86,358	167,596	
Costs financed from obligations of other years, net (−)	−31,499	−111,000	
Total obligations	54,859	56,596	

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous services for Department of Commerce, Bureau of Public Roads (total costs—obligations)	$25,600		
Financing:			
Advances and reimbursements from other accounts	25,600		

Object Classification

07 Other contractual services	$25,600		

NATIONAL LABOR RELATIONS BOARD

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;] *rental of temporary space in the District of Columbia,* and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131)[; $13,100,000], *$14,230,000*: *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

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NATIONAL LABOR RELATIONS BOARD—Continued

SALARIES AND EXPENSES—Continued

employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit 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, 1959.*)

Appropriated 1959, **$13,100,000** Estimate 1960, **$14,230,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Field investigations	$6,099,816	$8,481,900	$8,780,700
2. Trial examiner hearing	754,831	1,020,000	1,191,000
3. Board adjudication	1,280,539	1,603,400	1,717,900
4. Securing of compliance with Board orders	1,609,458	2,168,700	2,540,400
5. 1959 program obligated in 1958	46,373	−46,373	
Total obligations	9,791,017	13,227,627	14,230,000
Financing:			
1959 appropriation available in 1958	4,356		
Unobligated balance no longer available	−46,373	46,373	
New obligational authority	9,749,000	13,274,000	14,230,000
New obligational authority:			
Appropriation	$9,749,000	$13,100,000	$14,230,000
Proposed supplemental due to pay increases		174,000	

The Board resolves representation disputes in industry and remedies and prevents unfair labor practices by employers and unions. In October 1958, the Board broadened its standards for determining the cases in which it will exercise jurisdiction. This will increase the volume of cases filed by about 15% in 1959 and an additional 5% in 1960. The current high level of case filings under the previous jurisdictional standards is expected to continue and additional funds are required to enable the Agency to handle the higher workload.

1. *Field investigation.*—Charges of unfair labor practices and petitions for elections to resolve representation disputes are investigated by the regional office personnel. Failing settlement, dismissal, or withdrawal of these cases, they are prepared for public hearing. About 87% of the unfair labor practice cases and 73% of the election cases are closed without the need for public hearing or further formal action.

2. *Trial examiner hearing.*—Trial examiners conduct public hearings in unfair labor practice cases which are the basis of the findings and recommendations set forth in intermediate reports. In fiscal year 1958, 297 reports were issued; for 1959, the estimate is 470; for 1960, 615.

3. *Board adjudication.*—In unfair labor practice cases the trial examiner's intermediate report becomes the Board order, if no exceptions are filed. Exceptions are filed to approximately 80% of the intermediate reports, and these reports 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

	1958 actual	*1959 estimate*	*1960 estimate*
Unfair labor practice	220	450	500
Representation	1,567	1,700	1,750

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 1958, a total of 73 Board decisions of all kinds required court litigation; for 1959, the estimate is 160; and for 1960, 243.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	1,193	1,581	1,581
	Full-time equivalent of all other positions	1	6	2
	Average number of all employees	1,128	1,399	1,532
	Number of employees at end of year	1,148	1,581	1,581
	Average GS grade and salary	8.9 $6,662	8.7 $7,084	8.7 $7,234
01	Personal services:			
	Permanent positions	$7,951,762	$10,056,500	$11,126,750
	Positions other than permanent	3,980	27,250	7,500
	Other personal services	58,022	97,800	129,050
	Total personal services	8,013,764	10,181,550	11,263,300
02	Travel	515,404	853,900	921,100
03	Transportation of things	32,984	71,700	47,700
04	Communication services	243,797	314,000	340,450
05	Rents and utility services	35,574	116,900	34,100
06	Printing and reproduction	95,498	308,250	303,750
07	Other contractual services	219,329	336,700	366,900
	Services performed by other agencies	13,123	56,900	14,600
08	Supplies and materials	96,754	154,500	156,950
09	Equipment	15,858	276,100	130,300
11	Grants, subsidies, and contributions	447,793	573,600	630,200
13	Refunds, awards, and indemnities	2,870	10,000	
15	Taxes and assessments	11,896	19,900	20,650
	1959 program obligated in 1958	46,373	−46,373	
	Total obligations	9,791,017	13,227,627	14,230,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Trial examiner hearing (total obligations)	$53,577	$12,900	
Financing:			
Advances and reimbursements from other accounts	53,577	12,900	

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Average number of all employees	4	1	
	Number of employees at end of year	0	0	
	Average GS grade and salary	15.0 $12,420	15.0 $13,670	
01	Personal services: Permanent positions	$44,409	$10,700	
02	Travel	6,311	1,500	
07	Other contractual services	143	50	
11	Grants, subsidies, and contributions	2,714	650	
	Total obligations	53,577	12,900	

NATIONAL MEDIATION BOARD

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for [the National Mediation Board, $520,000] *carrying out the provisions of the Railway Labor Act, as amended (45 U. S. C. 151–188), including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); temporary employment of referees under section 3 of the Railway Labor Act, as amended, at rates not in excess of $75 per diem; and emergency boards appointed by the President pursuant to section 10 of said Act (45 U. S. C. 160); $1,357,000: Provided, That the unexpended balances of appropriations for the fiscal years 1958 and 1959 for "Salaries and expenses", "Arbitration and emergency boards", and "Salaries and expenses, National Railroad Adjustment Board", shall be merged and accounted for in one account. (45 U. S. C. 154; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$520,000** Estimate 1960, [a] **$1,357,000**

[a] Includes activities previously carried under "Arbitration and emergency boards" and "Salaries and expenses, National Railroad Adjustment Board." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Mediation	$505,845	$544,500	$552,500
2. Voluntary arbitration and emergency disputes	238,436	250,000	250,000
3. Adjustment of railroad grievances	547,674	552,500	554,500
4. 1959 program obligated in 1958	3,000	−3,000	
Total obligations	1,294,955	1,344,000	1,357,000
Financing:			
Comparative transfers from (−) other accounts	−786,110	−802,000	
1959 appropriation available in 1958	−3,000	3,000	
Unobligated balance no longer available	1,001		
New obligational authority	506,846	545,000	1,357,000
New obligational authority:			
Appropriation	$506,846	$520,000	$1,357,000
Proposed supplemental due to pay increases		25,000	

1. *Mediation.*—The Board mediates labor disputes and determines collective-bargaining representatives for the 700 carriers and 1.25 million employees in the railroad and airline industries.

MEDIATION CASES

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Pending, start of year	243	304	262	272
Received during year	550	407	450	475
Closed during year	489	449	440	440
Pending, end of year	304	262	272	307

2. *Voluntary arbitration and emergency disputes.*—When mediation fails, the parties are urged to submit their differences to arbitration or special adjustment boards, including neutral members paid from this account. If neither mediation nor voluntary arbitration are successful 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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Arbitration boards	12	15	12	12
Special adjustment boards	54	71	75	75
Emergency boards	3	5	3	3

3. *Adjustment of railroad grievances.*—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	*1957 actual*	*1958 actual*	*1959 estimate*	*1960 estimate*
Pending, beginning of year	4,707	4,317	4,948	5,518
Received during year	1,992	2,165	2,115	2,090
Closed during year	2,382	1,534	1,545	1,730
Pending, end of year	4,317	4,948	5,518	5,878
Referee days of service	1,692	1,859	1,928	1,930

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		90		90		90
Full-time equivalent of all other positions		7		7		7
Average number of all employees		102		106		106
Number of employees at end of year		115		112		112
Average GS grade and salary		8.9	$6,928	9.0	$7,562	8.8	$7,136
01	Personal services:						
	Permanent positions		$608,990		$658,890		$668,110
	Positions other than permanent		325,225		342,600		342,600
	Other personal services		2,164		2,230		5,240
	Total personal services		936,379		1,003,720		1,015,950
02	Travel		$174,777		$181,500		$181,500
03	Transportation of things		226		150		150
04	Communication services		24,489		23,080		23,800
05	Rents and utility services		9,610		4,500		4,500
06	Printing and reproduction		72,455		54,000		53,500
07	Other contractual services		13,078		15,200		15,200
08	Supplies and materials		6,183		10,979		8,500
09	Equipment		13,126		6,621		6,200
11	Grants, subsidies, and contributions		37,753		43,350		43,800
15	Taxes and assessments		3,879		3,900		3,900
	1959 program obligated in 1958		3,000		−3,000		
	Total obligations		1,294,955		1,344,000		1,357,000

[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), $250,000.] *(45 U. S. C. 154; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$250,000**

NOTE.—Estimate of $250,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses," National Mediation Board. The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$238,436	$250,000	
Unobligated balance no longer available	1,984		
Appropriation (new obligational authority)	240,420	250,000	

[National Railroad Adjustment Board]

[salaries and expenses]

[For expenses necessary for the National Railroad Adjustment Board, $525,000, of which not less than $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, 1959.)*

Appropriated 1959, **$525,000**

NOTE.—Estimate of $554,500 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses," National Mediation Board. The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$547,674	$552,000	
Unobligated balance no longer available	60		
New obligational authority	547,734	552,000	
New obligational authority:			
Appropriation	$547,734	$525,000	
Proposed supplemental due to pay increases		27,000	

NATIONAL SCIENCE FOUNDATION

Current authorizations:

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 [$300,000] *$400,000* 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; [$130,000,000] *$160,300,000*, to remain

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NATIONAL SCIENCE FOUNDATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

available until expended[, of which $1,000,000 shall be transferred to the Bureau of Public Roads, Department of Commerce, for construction of a secondary road to the Optical Astronomy Observatory on Kitt Peak in Arizona]: *Provided*, That of the foregoing amount not less than $30,250,000 shall be available for tuition, grants, and allowances in connection with a program of supplementary training for [high] *secondary* school science and mathematics teachers. (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, [a] **$134,000,000** Estimate 1960, **$160,300,000**
Appropriated (adjusted) 1959, [a] **$136,000,000**

[a] Includes $4,000,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Support of science:			
(*a*) Grants and contracts	$27,621,592	$67,995,145	$89,955,000
(*b*) Program development, operation and evaluation	1,130,681	1,780,000	2,365,000
2. Support of scientific manpower:			
(*a*) Grants and contracts	19,413,537	63,903,000	64,350,000
(*b*) Program development, operation and evaluation	984,931	2,270,000	2,249,000
3. Executive direction and management	822,730	1,381,000	1,381,000
Total obligations	49,973,471	137,329,145	160,300,000
Financing:			
Unobligated balance brought forward	−1,552,533	−1,329,145	
Advances and reimbursements from non-Federal sources (5 U. S. C. 61 (b))	−83		
Unobligated balance carried forward	1,329,145		
New obligational authority	49,750,000	136,000,000	160,300,000
New obligational authority:			
Appropriation	$49,750,000	$134,000,000	$160,300,000
Transferred from "Operating expenses," Atomic Energy Commission (72 Stat. 880)		2,000,000	
Appropriation (adjusted)	49,750,000	136,000,000	160,300,000

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 for the continuation of programs to improve science teaching and to increase the number of highly qualified research scientists in this country.

1. *Support of science.*—The Foundation supports basic research projects, principally in institutions of higher learning.

GRANTS FOR SUPPORT OF RESEARCH PROJECTS

	1958 actual	*1959 estimate*	*1960 estimate*
Number of grants awarded	1,100	1,760	1,985

It also supports (1) basic research facilities at universities and other nonprofit institutions in such fields as astronomy, oceanography, 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.

2. *Support of scientific manpower.*—The Foundation awards fellowships to graduate science students and college science faculty members and summer fellowships to secondary school science and mathematics teachers and graduate teaching assistants.

FELLOWSHIPS FOR ADVANCED STUDY IN SCIENCE AND MATHEMATICS

	1958 actual	*1959 estimate*	*1960 estimate*
Number of fellowships awarded	1,348	2,793	2,893

It supports summer and academic-year institutes for the supplementary training of high school and college teachers of science and mathematics.

INSTITUTES FOR SCIENCE AND MATHEMATICS TEACHERS

	1958 actual	*1959 estimate*	*1960 estimate*
Number of participants supported at institutes	10,225	27,730	28,000

It also supports (1) projects directed toward the improvement of high school and college science and mathematics course content; (2) activities to stimulate student interest in science and to improve the teaching of science in high schools and colleges; (3) maintenance of a national register of scientific and technical personnel; and (4) the conduct of studies relating to the supply, demand, and utilization of scientific manpower.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	NATIONAL SCIENCE FOUNDATION			
	Total number of permanent positions	310	481	535
	Full-time equivalent of all other positions	10	17	24
	Average number of all employees	273	407	509
	Number of employees at end of year	397	525	595
	Average GS grade and salary	7.7 $5,964	8.1 $6,726	8.4 $6,882
	Average salary of ungraded positions	$12,571	$12,311	$12,970
01	Personal services:			
	Permanent positions	$1,733,889	$2,764,000	$3,530,000
	Positions other than permanent	114,082	143,000	218,000
	Other personal services	68,373	67,600	70,000
	Total personal services	1,916,344	2,974,600	3,818,000
02	Travel	178,332	330,000	400,000
03	Transportation of things	6,549	7,700	5,000
04	Communication services	71,807	87,000	95,000
05	Rents and utility services	2,337	5,000	10,500
06	Printing and reproduction	49,143	86,300	107,600
07	Other contractual services	4,230,068	10,145,000	1,979,400
	Services performed by other agencies	700,786	792,400	1,111,500
08	Supplies and materials	31,978	93,000	52,000
09	Equipment	60,040	200,000	80,000
11	Grants, subsidies, and contributions	42,259,176	121,510,500	152,631,000
15	Taxes and assessments	5,370	6,500	10,000
	Total, National Science Foundation	49,511,930	136,238,000	160,300,000
	ALLOCATION ACCOUNTS			
	Total number of permanent positions	3	16	
	Average number of all employees	1	13	
	Number of employees at end of year	0	16	
	Average GS grade and salary	5.7 $4,332	7.8 $6,502	
01	Personal services:			
	Permanent positions	$4,850	$98,000	
	Other personal services		2,000	
	Total personal services	4,850	100,000	
02	Travel	1,203	5,000	
03	Transportation of things	160		
04	Communication services	199	1,000	
05	Rents and utility services	1,200	1,000	
07	Other contractual services	2	3,500	
	Services performed by other agencies	38,733	31,145	
08	Supplies and materials	1,307	6,000	
09	Equipment		3,000	
10	Lands and structures	413,887	934,000	
11	Grants, subsidies, and contributions		6,000	
15	Taxes and assessments		500	
	Total, allocation accounts	461,541	1,091,145	
	Total obligations	49,973,471	137,329,145	$160,300,000
	Obligations are distributed as follows:			
	National Science Foundation	$49,511,930	$136,238,000	$160,300,000
	Library of Congress	4,852		
	Department of the Army	456,689	91,145	
	Department of Commerce		1,000,000	

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[INTERNATIONAL GEOPHYSICAL YEAR]

[For an additional amount for "International Geophysical Year", $2,500,000, to remain available until June 30, 1960.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$2,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Geophysical research related to the earth's atmosphere:			
(*a*) Basic atmospheric research	$2,583,060	$1,380,282	
(*b*) Earth satellite exploration of the upper atmosphere	9,275,259	2,085,602	
2. Geophysical research related to the planet Earth	1,275,580	949,754	
3. Related scientific support activities	712,066	1,213,415	
4. Interdisciplinary research		1,575,000	
5. Scientific direction and administration	351,506	435,540	
Total obligations	14,197,471	7,639,593	
Financing:			
Unobligated balance brought forward	−17,337,064	−5,139,593	
Unobligated balance carried forward	5,139,593		
Appropriation (new obligational authority)	2,000,000	2,500,000	

This appropriation supported the United States program for the International Geophysical Year, a worldwide scientific undertaking involving concurrent scientific observations by more than 60 nations and approximately 10,000 scientists, beginning in July 1957 and ending December 31, 1958. The program of the United States was planned by the Nation's leading geophysicists and included projects in the 13 disciplines and areas of activity involved in the International Geophysical Year, such as oceanography, seismology, and rocket and satellite studies of the upper atmosphere. The results of this research ultimately will benefit our international relations, national defense, agriculture, commerce, and industry by adding appreciably to our basic knowledge of the earth and its environment.

Object Classification

	1958 actual	1959 estimate	1960 estimate
NATIONAL SCIENCE FOUNDATION			
Total number of permanent positions	7	6	
Average number of all employees	6	5	
Number of employees at end of year	7	6	
Average GS grade and salary	9.0 $6,333	9.0 $7,754	
Average salary: ungraded positions	$14,500	$16,500	
01 Personal services:			
Permanent positions	$48,577	$52,220	
Positions other than permanent	88		
Other personal services	397	670	
Total personal services	49,062	52,890	
02 Travel	4,108	11,000	
04 Communication services	179	300	
06 Printing and reproduction	1,185	2,500	
07 Other contractual services	804	650	
Services performed by other agencies	8,567,603	4,758,266	
08 Supplies and materials	647	1,000	
09 Equipment	1,997	2,000	
11 Grants, subsidies, and contributions	4,875,332	2,567,722	
15 Taxes and assessments	2		
Total, National Science Foundation	13,500,919	7,396,328	
ALLOCATION ACCOUNTS			
07 Other contractual services	696,552	243,265	
Total obligations	14,197,471	7,639,593	

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Obligations are distributed as follows:			
National Science Foundation	$13,500,919	$7,396,328	
National Bureau of Standards, Department of Commerce	3,837	8,158	
Navy	692,715	235,107	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Prior year advances returned (total obligations)		$10,000	
Financing:			
Unobligated balance brought forward		10,000	
Recovery of prior year obligations	$10,000		
Unobligated balance carried forward	−10,000		
Total financing		10,000	
Object Classification			
13 Refunds, awards, and indemnities		$10,000	

[OUTDOOR RECREATION RESOURCES REVIEW COMMISSION]

Current authorizations:

[OUTDOOR RECREATION RESOURCES REVIEW COMMISSION]

[For expenses necessary to carry out the provisions of the Act of June 28, 1958 (Public Law 85-470), $50,000, to remain available until expended.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$50,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Inventory and evaluation of nationwide recreation resources (total obligations)		$50,000	
Financing:			
Appropriation (new obligational authority)		50,000	

The Commission was created by the Outdoor Recreation Resources Review Act, approved June 28, 1958, to conduct a nationwide inventory and evaluation of outdoor recreation resources and opportunities. The Commission's final report to the President and to the Congress is due not later than September 1, 1961. The Commission ceases to exist not later than 1 year thereafter. Supplemental estimates for 1959 and 1960 are anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		4	
Full-time equivalent of all other positions		1	
Average number of all employees		3	
Number of employees at end of year		4	
Average GS grade and salary		10.2 $8,039	
01 Personal services:			
Permanent positions		$16,600	
Positions other than permanent		9,000	
Total personal services		25,600	
02 Travel		10,000	
04 Communication services		2,000	
08 Supplies and materials		2,500	
09 Equipment		9,200	
11 Grants, subsidies, and contributions		700	
Total obligations		50,000	

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[OUTDOOR RECREATION RESOURCES REVIEW COMMISSION]—Continued

Proposed for later transmission:

OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Inventory and evaluation of nationwide recreation resources (total obligations)		$350,000	$1,100,000
Financing:			
Proposed supplemental appropriation		350,000	1,100,000

Under existing legislation, 1959 and 1960.—The Commission is now planning its program and developing its organizational pattern. Estimates required to continue the Commission's work in 1959 and 1960 will be submitted at a later date.

PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

Permanent authorizations:

OLIVER WENDELL HOLMES DEVISE FUND

(Indefinite special fund)

Appropriated (est.) 1959, **$50,500** Estimate 1960, **$11,600**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Preparation of the history of the Supreme Court (total obligations)	$39,690	$66,550	$90,340
Financing:			
Unobligated balance brought forward	−434,397	−408,904	−392,854
Unobligated balance carried forward	408,904	392,854	314,114
Appropriation (new obligational authority)	14,197	50,500	11,600

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. The principal and interest on the fund are available for these purposes. The current program is devoted primarily to the preparation of the history of the Supreme Court. A grant of $37,500 from the Rockefeller Foundation has been made available for the period 1959–62 to pay salaries of authors preparing the history during leaves of absence from their universities for one or more academic semesters.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$39,690	$66,550	$90,340

RAILROAD RETIREMENT BOARD

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES

(Trust fund)

For expenses necessary for the Railroad Retirement Board, including [expenses of attendance at meetings concerned with the work of the Board, when specifically authorized by the Board; and] uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114)[; $8,450,000], *$9,460,000*, to be derived from the railroad retirement account. (*45 U. S. C., 228a–228r; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maintenance of earnings accounts	$370,371	$435,388	$534,304
2. Processing claims	6,036,585	6,555,688	6,664,553
3. Maintenance of beneficiary rolls	981,684	1,039,527	1,161,577
4. Hearings and appeals	47,948	52,541	51,000
5. Actuarial services	156,877	164,230	154,429
6. Administration	818,597	907,626	894,137
7. 1959 program obligated in 1958	21,008	−21,008	
Total obligations	8,433,070	9,133,992	9,460,000
Financing:			
1959 limitation available in 1958	−21,008	21,008	
Unobligated balance no longer available	938		
Limitation	8,413,000	8,450,000	9,460,000
Proposed increase in limitation due to pay increases		705,000	

The Board administers the railroad retirement system, financed by employer and employee taxes. The administrative expenses of the Board in the operation of this program are 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.*—Applications 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 dispositions were 185,530 in 1958, an increase of approximately 11% over 1957. They are estimated at 189,520 and 192,520 in 1959 and 1960. In addition increased workloads resulting from the 1958 amendments to the Social Security Act which require adjustments in payments to railroad retirement beneficiaries will necessitate a supplemental increase in the limitation.

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 8,156,388 in 1958 and are estimated at 8,590,000 and 9,000,000 in 1959 and 1960 and will continue to increase annually. The number of persons on the rolls receiving monthly benefit payments was 708,000 in 1958 and is estimated at 738,000 and 764,000 in 1959 and 1960.

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

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were 159 in 1958 and are estimated at 185 in 1959 and 1960.

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,448	1,423	1,429
Full-time equivalent of all other positions	29	27	24
Average number of all employees	1,296	1,327	1,341
Number of employees at end of year	1,362	1,382	1,389
Average GS grade and salary	6.1 $4.667	6.1 $5,235	6.1 $5,228
01 Personal services:			
Permanent positions	$6,216,140	$6,783,180	$6,807,568
Positions other than permanent	92,130	110,621	101,407
Other personal services	164,616	182,905	189,839
Total personal services	6,472,886	7,076,706	7,098,814
02 Travel	194,937	223,554	220,155
03 Transportation of things	13,558	13,587	15,115
04 Communication services	54,053	54,091	55,023
Penalty mail costs	315,500	331,000	458,100
05 Rents and utility services	442,535	501,971	542,179
06 Printing and reproduction	61,875	61,269	63,967
07 Other contractual services	164,907	156,158	200,631
Services performed by other agencies	123,678	118,720	125,181
08 Supplies and materials	121,681	122,344	163,219
09 Equipment	41,470	47,056	61,442
11 Grants, subsidies, and contributions	399,950	442,365	449,650
13 Refunds, awards, and indemnities	2,869	3,683	3,641
15 Taxes and assessments	2,163	2,496	2,883
1959 program obligated in 1958	21,008	−21,008	
Total obligations	8,433,070	9,133,992	9,460,000

Proposed for later transmission:

LIMITATION ON SALARIES AND EXPENSES, RAILROAD RETIREMENT BOARD

Under existing legislation, 1959.—An increase in the limitation is anticipated for 1959 in the amount of $372,000 to provide postal increases and for the 1958 amendments to the Social Security Act which affect Railroad Retirement Board operations.

RENEGOTIATION BOARD

Current authorizations:

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 [$40,000] *$25,000* 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; [$2,850,000] *$3,000,000.* (*Act of Mar. 23, 1951, Public Law 9, as amended; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$2,850,000** Estimate 1960, **$3,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction	$485,370	$497,000	$496,000
2. Staff operations	785,723	782,000	757,000
3. Renegotiation operations (field)	1,783,752	1,786,000	1,747,000
Total obligations	3,054,845	3,065,000	3,000,000
Financing:			
Unobligated balance no longer available	$1,155		
New obligational authority	3,056,000	$3,065,000	$3,000,000
New obligational authority:			
Appropriation	$3,056,000	$2,850,000	$3,000,000
Proposed supplemental due to pay increases		215,000	

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 $723,055,054 in excessive profits from the date of its establishment through June 30, 1958. Of this total, $112,724,199 was determined during 1958. The act establishing this requirement expires June 30, 1959, 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.*—The three regional boards conduct renegotiation proceedings and make initial determinations. The field boards make the excessive profit determination in all cases involving $800,000 or less 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.

WORKLOAD

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Total filings	23,952	21,175	20,600	18,300
Cases assigned for renegotiation:				
Assigned	1,393	1,136	1,150	950
Completed	2,192	1,577	1,400	1,400
End-of-year backlog	2,039	1,598	1,348	898

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	360	332	321
Full-time equivalent of all other positions	2	2	2
Average number of all employees	339	315	309
Number of employees at end of year	326	314	308
Average GS grade and salary	9.5 $7,540	9.5 $8,427	9.4 $8,382
01 Personal services:			
Permanent positions	$2,719,777	$2,711,000	$2,641,400
Positions other than permanent	10,219	10,000	10,000
Other personal services	11,741	12,000	21,600
Total personal services	2,741,737	2,733,000	2,673,000
02 Travel	16,601	25,000	25,000
03 Transportation of things	2,175	2,000	2,000
04 Communication services	74,936	76,000	75,000
06 Printing and reproduction	12,244	15,000	15,000
07 Other contractual services	21,816	24,000	24,000
08 Supplies and materials	14,798	18,000	18,000
09 Equipment	8,386	4,000	4,000
11 Grants, subsidies, and contributions	161,267	167,000	163,000
15 Taxes and assessments	885	1,000	1,000
Total obligations	3,054,845	3,065,000	3,000,000

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RIVER BASIN STUDY COMMISSIONS

Current authorizations:

[SOUTH CAROLINA-GEORGIA-ALABAMA-FLORIDA AND TEXAS WATER STUDY COMMISSIONS]

[For necessary expenses of the United States Water Study Commission for South Carolina-Georgia-Alabama-Florida, $50,000, and for the United States Water Study Commission for Texas, $50,000: *Provided*, That these appropriations shall be effective only upon enactment into law of S. 4021 and H. R. 12216.] (*Independent Offices Appropriation Act, 1959.*)

RIVER BASIN STUDY COMMISSION FOR SOUTH CAROLINA-GEORGIA-ALABAMA-FLORIDA

Appropriated 1959, **$50,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Resource development studies (total obligations)		$50,000	
Financing:			
Appropriation (new obligational authority)		50,000	

This Commission, authorized by Public Law 85-850, approved Aug. 28, 1958, will be responsible for studies for development of land and water resources in certain major river basins in the Southeastern States. Supplemental appropriations of $150,000 in 1959 and $800,000 in 1960 are shown below under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Undistributed		$50,000	

RIVER BASIN STUDY COMMISSION FOR TEXAS

Appropriated 1959, **$50,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Resource development studies (total obligations)		$50,000	
Financing:			
Appropriation (new obligational authority)		50,000	

This Commission, authorized by Public Law 85-843, approved Aug. 28, 1958, will be responsible for studies for development of land and water resources in certain major river basins in Texas. Supplemental appropriations of $150,000 in 1959 and $800,000 in 1960 are shown below under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Undistributed		$50,000	

Proposed for later transmission:

RIVER BASIN STUDY COMMISSION FOR SOUTH CAROLINA-GEORGIA-ALABAMA-FLORIDA

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Resource development studies (total obligations)		$150,000	$800,000
Financing:			
Proposed supplemental appropriation		150,000	800,000

Under existing legislation, 1959 and 1960.—When the Commission has had an opportunity to review its financial requirements, supplemental appropriations presently estimated at $150,000 for 1959 and $800,000 for 1960 are anticipated to finance the estimated costs of resource development studies by the Commission in certain major river basins in the Southeastern States.

RIVER BASIN STUDY COMMISSION FOR TEXAS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Resource development studies (total obligations)		$150,000	$800,000
Financing:			
Proposed supplemental appropriation		150,000	800,000

Under existing legislation, 1959 and 1960.—When the Commission has had an opportunity to review its financial requirements, supplemental appropriations presently estimated at $150,000 for 1959 and $800,000 for 1960 are anticipated to finance the estimated costs of resource development studies by the Commission in certain major river basins in Texas.

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 [1959] *1960* for such Corporation, except as hereinafter provided: (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital outlay:			
1. Land, land rights, and relocations	$2,244,065	$575,000	
2. Locks	14,679,784	1,926,000	
3. Channels and canals	12,780,753	5,339,600	$3,696,800
4. Roads and bridges	3,899,359	2,716,100	

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Capital outlay—Continued			
5. Navigation aids and related facilities	$807,234	$99,500	
6. Permanent buildings and equipment	3,842,512	4,210,900	$748,800
7. Engineering and design	134,440	224,500	10,000
8. Supervision and inspection	1,696,623	758,700	322,600
9. Operating costs capitalized during construction	463,467	1,075,100	
Total applied costs	40,548,237	16,925,400	4,778,200
Unapplied costs	145,640	−271,220	−250,000
Total capital outlay, funded	40,693,877	16,654,180	4,528,200
Operating costs:			
10. Operation of locks and canals and traffic control	90,180	641,000	625,000
11. Maintenance of navigation aids		77,000	75,000
12. Maintenance of plant and equipment	19,795	260,000	275,000
13. Administrative expenses (limitation)	353,492	415,000	415,000
14. Depreciation	9,992	300,000	1,250,000
15. Interest	2,632,354	3,699,820	4,000,000
Total operating costs	3,105,813	5,392,820	6,640,000
Unfunded adjustments to total operating costs:			
Accrued interest deferred (−)	−2,632,354	−2,699,820	
Depreciation included above (−)	−9,992	−300,000	−1,250,000
Operating costs capitalized during construction (−)	−463,467	−1,075,100	
Total operating costs, funded		1,317,900	5,390,000
Total program costs, funded	40,693,877	17,972,080	9,918,200
16. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−28,170,201	−6,686,651	−1,640,000
Total program (obligations)	12,523,676	11,285,429	8,278,200
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	35,000,000		
Revenue: Shipping tolls		1,500,000	4,200,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	9,201,425	31,677,749	21,892,320
Total amounts available	44,201,425	33,177,749	26,092,320
Unobligated balance carried forward (authorization to expend from public debt receipts)	−31,677,749	−21,892,320	−17,814,120
Financing applied to program	12,523,676	11,285,429	8,278,200

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 $121.9 million. Work estimated to cost $116.3 million will be completed by the end of 1959. Additional work to be accomplished during 1960 is estimated to cost $4.5 million. Principal emphasis will be placed on completion of the 27-foot depth channel in the Cornwall and Thousand Islands areas. The seaway will be 99% complete at the end of 1960 with $1.1 million, consisting largely of channel work, remaining to be accomplished after 1960.

Operating costs.—The Corporation began operating and maintaining the seaway for 14-foot draft traffic after the flooding of the power pool on 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 selected resources as follows:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Prepayments and advances		$349		
Unpaid undelivered orders	$36,871,852	8,701,302	$2,015,000	$375,000
Total selected resources at end of year	36,871,852	8,701,651	2,015,000	375,000
Selected resources at start of year (−)		−36,871,852	−8,701,651	−2,015,000
Costs financed from obligations of other years, net (−)		−28,170,201	−6,686,651	−1,640,000

Financing.—The Corporation is authorized to borrow $140 million from the Treasury to finance the costs of the Seaway, of which $113.8 million will have been used by the end of 1959. It is estimated that $4.2 million will be used during 1960.

Operating results and financial condition.—The operating expenses for 1960, including depreciation and interest, are estimated at $6.6 million, of which $415,000 represents administrative expenses. Shipping toll revenues in 1960 are estimated at $4.2 million.

Operating expenses incurred during the period of interim 14-foot draft navigation from July 1, 1958, through March 31, 1959, including interest on the revenue bonds, are being capitalized as a part of the construction cost of the Seaway.

Repayment of the Federal investment is scheduled to be accomplished within the statutory 50-year repayment period.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets	$40,693,877	$16,654,180	$4,528,200
Expense		1,317,900	5,390,000
Increase in selected working capital	7,629,261	627,920	
Total gross expenditures	48,323,138	18,600,000	9,918,200
Receipts from operations (funds provided):			
Revenue		1,500,000	4,200,000
Decrease in selected working capital			1,518,200
Total receipts from operations		1,500,000	5,718,200
Budget expenditures	48,323,138	17,100,000	4,200,000

Revenue, Expense, and Retained Earnings

Revenue: Shipping tolls		$1,500,000	$4,200,000
Expense:			
Operation and maintenance	$109,975	978,000	975,000
Administrative expenses	353,492	415,000	415,000
Depreciation	9,992	300,000	1,250,000
Interest	2,632,354	3,699,820	4,000,000
Total operating expense	3,105,813	5,392,820	6,640,000
Operating costs capitalized during construction (−)	−3,105,813	−3,774,920	
Total expense, net		1,617,900	6,640,000
Net loss (−) for the year		−117,900	−2,440,000
Deficit (−), beginning of year			−117,900
Deficit (−), end of year		−117,900	−2,557,900

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SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION—Continued

Public enterprise funds—Continued

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FUND—Continued

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury and in banks	$257,128	$257,128	$257,128
Accounts receivable	4,266,148	500,000	1,000,000
Prepayments and advances	349		
Land, structures, and equipment, net	103,420,780	122,474,780	125,752,980
Total assets	107,944,405	123,231,908	127,010,108
Liabilities:			
Current	7,444,225	3,049,808	5,068,008
Accrued interest during construction—deferred	3,800,180	6,500,000	6,500,000
Total liabilities	11,244,405	9,549,808	11,568,008
Government investment:			
Interest-bearing capital:			
Start of year	48,300,000	96,700,000	113,800,000
Borrowings from Treasury during year, net	48,400,000	17,100,000	4,200,000
End of year	96,700,000	113,800,000	118,000,000
Deficit (−)		−117,900	−2,557,900
Total Government investment	96,700,000	113,682,100	115,442,100

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$180,266	$257,128	$257,128	$257,128
Budget authorization	56,700,000	43,300,000	26,200,000	22,000,000
Total unexpended balance	56,880,266	43,557,128	26,457,128	22,257,128
Obligated balance, net:				
Current liabilities	11,510,405	7,444,225	3,049,808	5,068,008
Unpaid undelivered orders	36,871,852	8,701,302	2,015,000	375,000
Accounts receivable, net (−)	−703,416	−4,266,148	−500,000	−1,000,000
Total obligated balance	47,678,841	11,879,379	4,564,808	4,443,008
Unobligated balance	9,201,425	31,677,749	21,892,320	17,814,120

NOTE.—On June 30, 1958, the Corporation had contingent liabilities of $9,245,292 arising principally from claims by contractors for alleged damages due to changed conditions encountered while engaged in Seaway construction.

LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Not to exceed [$400,000] *$415,000* 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 $100 per day: *Provided further,* That not to exceed $5,000 may be expended for services of individuals employed at rates in excess of $50 per day. (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total accrued administrative expenses)	$353,492	$415,000	$415,000
Financing:			
Unobligated balance no longer available	46,508		
Limitation	400,000	400,000	415,000
Proposed increase in limitation due to pay increases		15,000	

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	166	184	182
	Full-time equivalent of all other positions	2	1	1
	Average number of all employees	43	168	163
	Number of employees at end of year	175	184	182
	Average GS grade and salary	8.9 $7,252	8.6 $7,171	8.3 $7,079
01	Personal services:			
	Permanent positions	$326,479	$942,680	$922,300
	Positions other than permanent	23,765	25,000	25,000
	Other personal services	27,003	32,890	35,000
	Excess of annual leave earned over leave taken	46,552		
	Total personal services	423,799	1,000,570	982,300
	Deduct portion not chargeable to limitation on administrative expenses	159,949	681,570	662,300
	Net personal services	263,850	319,000	320,000
02	Travel	24,929	20,000	20,000
03	Transportation of things	6,290	5,000	5,000
04	Communication services	5,778	6,000	6,000
05	Rents and utility services	14,578	4,000	4,000
06	Printing and reproduction	5,657	15,000	10,000
	Photographing	871	3,000	4,000
07	Other contractual services	7,841	6,000	8,000
	Services performed by other agencies	5,849	9,000	9,000
08	Supplies and materials	4,337	6,000	7,000
11	Grants, subsidies, and contributions	13,041	21,000	21,000
15	Taxes and assessments	471	1,000	1,000
	Total accrued administrative expenses	353,492	415,000	415,000

SECURITIES AND EXCHANGE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including not to exceed $1,125 for the purchase of newspapers; not to exceed [$245,000] *$285,400* 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. 55a); [$7,100,000] *$8,275,000. (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; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$7,100,000** Estimate 1960, **$8,275,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Full disclosure provisions	$1,830,391	$1,952,300	$2,057,700
2. Prevention and suppression of fraud	2,664,546	3,087,600	3,314,600
3. Supervision and regulation of securities markets	160,210	167,900	180,600
4. Regulation of investment and public utility holding companies	463,385	530,200	642,200
5. Corporate reorganizations	215,115	253,400	279,400
6. Operational and business statistics	207,097	226,800	230,900
7. Executive and staff functions	772,929	863,600	894,100
8. Administrative services	614,405	655,200	675,500
9. 1959 program obligated in 1958	38,079	−38,079	
Total obligations	6,966,157	7,698,921	8,275,000
Financing:			
1959 appropriation available in 1958	−38,079	38,079	
Unobligated balance no longer available	6,922		
New obligational authority	6,935,000	7,737,000	8,275,000
New obligational authority:			
Appropriation	$6,935,000	$7,100,000	$8,275,000
Proposed supplemental due to pay increases		637,000	

The primary purpose of the Commission is to protect the interests of the investing public.

1. *Full disclosure provisions.*—To provide disclosure to investors of material facts concerning securities publicly offered for sale, issuers of securities are required to file with the Commission a registration statement and related prospectus containing significant information about the issuer and the offering.

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SELECTED WORKLOAD DATA

	1957 actual	1958 actual	1959 estimate	1960 estimate
Registration statements examined	943	913	985	1,200
Value of securities registered (in billions)	$14.7	$16.9	$18.2	$22.0
Annual and periodic reports examined	45,931	47,074	50,922	51,830
Proxy contests for which proxy rules must be administered	20	34	40	40
Administrative proceedings and investigations closed	154	118	187	207

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.

SELECTED WORKLOAD DATA

	1957 actual	1958 actual	1959 estimate	1960 estimate
Investigations closed	347	488	525	625
Broker-dealers registered	4,771	4,752	4,900	5,100
Broker-dealer inspections	1,214	1,452	1,473	1,535

A 2.8-year cycle for the broker-dealer inspection program was achieved in 1958; it is anticipated that this level of inspection will be maintained through 1960.

3. *Supervision and regulation of securities markets.*—National securities exchanges and over-the-counter markets are regulated in the interest of maintaining just and 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.

SELECTED WORKLOAD DATA

	1957 actual	1958 actual	1959 estimate	1960 estimate
Amendments, notifications and circulars of exchanges examined	1,850	1,718	1,900	2,000
Securities under observation for manipulative activities	1,804	1,838	2,000	7,000
Trading reports and field investigations reviewed	69	88	100	100

During 1960, approximately 5,000 additional securities will be brought under observation for detection of possible manipulation.

4. *Regulation of investment and public utility holding companies.*—Financing and other corporate matters of interstate public utility holding companies engaged in the electric utility business or in the retail distribution of gas are regulated. Eighteen holding company systems, comprising 164 separate companies with assets of $9.3 billion, are registered under the Public Utility Holding Company Act of 1935.

SELECTED WORKLOAD DATA

	1957 actual	1958 actual	1959 estimate	1960 estimate
Regulation of financing transactions and asset acquisitions	320	310	325	340
Regulation of intercompany loans, dividends, etc.	75	79	85	89

Foreign and domestic investment companies are also registered and their activities supervised. The assets of these companies have increased from $2.5 billion in 1941 to $17.0 billion in 1958.

SELECTED WORKLOAD DATA

	1957 actual	1958 actual	1959 estimate	1960 estimate
Number of registered investment companies	432	453	505	760
Investment company inspections	6	9	24	94
Registration of new companies	49	42	75	305
Review of filings for compliance with regulations	468	760	850	1,400

In 1960, the investment company inspection program will be placed on an 8-year cycle. The estimated increase in the number of investment company registrations in 1960 is the result of enactment of the Small Business Investment Act of 1958.

5. *Corporate reorganizations.*—Independent expert assistance is provided in proceedings under the Bankruptcy Act. In 1958, a total of 68 new reorganization petitions was filed in Federal courts. It is estimated that the number of petitions filed will increase to 80 in 1959 and to 90 in 1960.

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 as a part of the overall Government statistical and economic program.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	885	953	1,018
	Full-time equivalent of all other positions	6	4	4
	Average number of all employees	840	916	978
	Number of employees at end of year	878	945	1,018
	Average GS grade and salary	8.8 $6,455	8.9 $7,181	8.9 $7,103
01	Personal services:			
	Permanent positions	$5,719,029	$6,562,200	$6,936,400
	Positions other than permanent	17,787	13,500	14,000
	Other personal services	59,934	42,900	67,600
	Total personal services	5,796,750	6,618,600	7,018,000
02	Travel	214,607	245,000	285,400
03	Transportation of things	7,081	8,700	8,700
04	Communication services	147,081	158,900	164,200
05	Rents and utility services	17,548	22,500	23,300
06	Printing and reproduction	89,222	33,300	48,100
07	Other contractual services	148,541	129,000	137,800
08	Supplies and materials	97,682	74,000	80,000
09	Equipment	73,060	50,600	65,100
11	Grants, subsidies, and contributions	320,079	378,400	423,900
13	Refunds, awards, and indemnities	6,000	6,000	6,000
15	Taxes and assessments	10,427	12,000	14,500
	1959 program obligated in 1958	38,079	−38,079	
	Total obligations	6,966,157	7,698,921	8,275,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous services to other agencies (total obligations)	$5,888		
Financing:			
Advances and reimbursements from other accounts	5,888		

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	8.7 $6,400		
01	Personal services: Permanent positions	$5,888		

SELECTIVE SERVICE SYSTEM

Current authorizations:

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 twelve passenger motor vehicles for replacement only;* not to exceed $250 for the purchase of newspapers and periodicals; not to exceed $72,000 for the National Selective Service Appeal Board; and $19,000 for the

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SELECTIVE SERVICE SYSTEM—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists; [$27,500,000] *$30,650,000*: *Provided*, 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 1959.*)

Appropriated 1959, **$27,500,000** Estimate 1960, **$30,650,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. National administration	$1,668,052	$1,766,895	$1,774,600
2. State administration	5,711,640	6,269,055	6,292,400
3. Registration, classification, and induction	19,846,305	21,788,690	22,492,000
4. Special boards:			
National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists	13,839	19,000	19,000
National Selective Service Appeal Board	51,843	72,000	72,000
5. 1959 program obligated in 1958	248,378	−248,378	
Total obligations	27,540,057	29,667,262	30,650,000
Financing:			
1959 appropriation available in 1958	−248,378	248,378	
Advances and reimbursements from non-Federal sources (5 U. S. C. 61 (b))	−33		
Unobligated balance no longer available	178,354		
New obligational authority	27,470,000	29,915,640	30,650,000
New obligational authority:			
Appropriation	$27,470,000	$27,500,000	$30,650,000
Proposed supplemental due to pay increases		2,415,640	

The 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 to the extent that their needs are not met by voluntary enlistment. It will supply an estimated 100,000 men for this purpose in 1960 as compared to approximately 140,000 in 1959 and 126,000 in 1958.

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.*—Carrying out 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 20 million 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—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.

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

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	5,604	4,708	4,707
	Full-time equivalent of all other positions	1,185	1,150	1,200
	Average number of all employees	5,741	5,790	5,842
	Number of employees at end of year:			
	Civilian employees	6,338	6,681	6,783
	Military employees	260	259	259
	Average GS grade and salary	5.0 $4,393	5.2 $4,945	5.2 $5,019
	Average salary of ungraded positions	$3,322	$3,723	$3,723
01	Personal services:			
	Permanent positions:			
	Civilian employees	$15,991,231	$17,537,752	$17,607,088
	Military employees	2,526,630	2,783,599	2,797,179
	Positions other than permanent	3,729,663	3,744,524	3,923,855
	Other personal services	118,112	111,307	198,860
	Total personal services	22,365,636	24,177,182	24,526,982
02	Travel	502,424	673,615	664,500
	Selectee travel	1,470,234	1,740,000	2,124,000
03	Transportation of things	48,093	55,590	53,300
04	Communication services	499,430	540,554	547,150
	Penalty mail	452,930	458,800	628,800
05	Rents and utility services	78,459	73,676	73,300
06	Printing and reproduction	140,049	142,200	142,200
07	Other contractual services	225,723	244,982	246,900
08	Supplies and materials	201,891	320,439	241,576
09	Equipment	181,645	203,400	103,400
11	Grants, subsidies, and contributions	1,070,078	1,225,045	1,232,904
15	Taxes and assessments	55,087	60,157	64,988
	1959 program obligated in 1958	248,378	−248,378	
	Total obligations	27,540,057	29,667,262	30,650,000

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, [$3,500,000] *$5,600,000*, and in addition there may be transferred to this appropriation not to exceed [$11,060,000] *$15,611,000* from the revolving fund, Small Business Administration, and not to exceed [$825,000] *$750,000* from the fund for liquidation of Reconstruction Finance Corporation 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 Director of the Bureau of the Budget, by such amount (not exceeding $500,000) as may be required to finance administrative expenses incurred in the making of disaster loans: *Provided further*, That 10 per centum of the amount authorized to be transferred from the revolving fund, Small Business Administration, shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, only in such amounts and at such times as may be necessary to carry out the business loan program[: *Provided further*, That $1,000,000 of the amount herein appropriated shall be available only upon enactment into law of S. 3651, Eighty-fifth Congress]. (*72 Stat. 384, as amended; 72 Stat. 689; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$3,500,000** Estimate 1960, **$5,600,000**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Procurement and technical assistance.	$2,259,383	$2,686,000	$3,200,000
2. Management and research assistance.		290,000	800,000
3. Investment and development company assistance and supervision		810,000	1,600,000
4. Financial assistance	7,522,512	11,084,000	14,050,000
5. Liquidation of Reconstruction Finance Corporation loans	920,698	897,000	750,000
6. Contingency		1,110,000	1,561,000
Total obligations	10,702,593	16,877,000	21,961,000
Financing:			
Comparative transfers from (−) other accounts	−428,078		
Advances and reimbursements from other accounts:			
Revolving fund, Small Business Administration:			
Authorized	−7,485,446	−11,385,000	−15,611,000
Proposed increase in limitation due to pay increases		−809,000	
Fund for liquidation of Reconstruction Finance Corporation loans:			
Authorized	−492,620	−825,000	−750,000
Proposed increase in limitation due to pay increases		−72,000	
Miscellaneous reimbursements	−2,981		
Unobligated balance no longer available	28,032		
New obligational authority	2,321,500	3,786,000	5,600,000
New obligational authority:			
Appropriation	$2,321,500	$3,500,000	$5,600,000
Proposed supplemental due to pay increases		286,000	

The Small Business Administration counsels, assists, and protects the interest of small business. In addition, it provides aid to business firms and homeowners who have suffered losses through disasters.

1. *Procurement and technical assistance.*—The objectives of this activity are (1) to insure that a fair proportion of Government contracts for purchases of supplies and services and the sale and disposal of property be placed with small business enterprises, (2) to insure that a fair proportion of Government contracts for research and development be placed with small business concerns and assist small firms to obtain the benefits of research and development performed at Government expense, and (3) to provide technical and managerial aid to small business concerns by advising and counseling on matters in connection with Government procurement, research and development, property disposal, methods engineering, and new and improved products and processes.

2. *Management and research assistance.*—Assistance is provided to small business through (1) management counseling, (2) developing and distributing management aids and bulletins, and (3) establishing administrative management courses. This activity also includes the new program of grants to States, State development corporations, colleges, and universities, for studies, research, and counseling concerning the managing, financing, and operation of small business concerns.

3. *Investment and development company assistance and supervision.*—In order to stimulate and supplement the flow of private capital to small business concerns this agency is authorized to (1) charter, regulate, and examine small business investment companies, (2) provide capital to these companies, (3) lend funds to such companies, and (4) lend funds to State and local development companies.

4. *Financial assistance.*—Small business concerns and victims of 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 covering these programs may be found in the following account.

5. *Liquidation of Reconstruction Finance Corporation loans.*—As of June 30, 1958, there were 1,727 disaster loans outstanding amounting to $5,076,458. This represents a reduction of 1,502 loans valued at $8,613,772 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 $14,000,000 were transferred to the Small Business Administration on June 30, 1957, for liquidation. As of June 30, 1958, there were 496 loans outstanding amounting to $8,752,249. Administrative expenses for this activity are also transferred from a revolving fund, made up of receipts from these loans.

Object Classification

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		1,473	2,049	2,693
Full-time equivalent of all other positions		10	20	4
Average number of all employees		1,314	1,822	2,439
Number of employees at end of year		1,457	2,020	2,640
Average GS grade and salary		8.2 $6,078	8.2 $6,546	8.0 $6,461
01	Personal services:			
	Permanent positions	$8,361,205	$12,032,200	$15,788,000
	Positions other than permanent	35,456	73,100	13,100
	Other personal services	181,890	207,700	178,900
	Total personal services	8,578,551	12,313,000	15,980,000
02	Travel	508,510	1,117,000	1,596,000
03	Transportation of things	19,121	33,000	40,000
04	Communication services	276,476	467,000	610,000
05	Rents and utility services	173,128	239,000	43,000
06	Printing and reproduction	98,536	128,000	177,000
07	Other contractual services	273,364	250,000	141,000
	Services performed by other agencies	68,689	95,000	210,000
08	Supplies and materials	100,644	144,000	197,500
09	Equipment	111,921	240,000	360,000
11	Grants, subsidies, and contributions	472,979	716,000	1,018,500
13	Refunds, awards, and indemnities	5,950	10,000	10,000
15	Taxes and assessments	14,724	15,000	17,000
Undistributed			1,110,000	1,561,000
Total obligations		10,702,593	16,877,000	21,961,000

Grants for Research and Management Counseling

(Indefinite special fund)

Appropriated (estimate) 1959, **$27,546,311**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants (total obligations)		$1,400,000	$2,080,000
Financing:			
Unobligated balance brought forward			−26,146,311
Unobligated balance carried forward		26,146,311	24,066,311
Appropriation (new obligational authority)		27,546,311	

This indefinite special fund account finances grants to any State government, or agency thereof, State-chartered development, credit, or finance corporations, land-grant colleges and universities, and other schools for research and counseling concerning the managing and financing of small business enterprises. The amount appropriated (72 Stat. 698) was derived from repayments by each Federal Reserve bank of the aggregate amount which the Secretary of the Treasury had heretofore paid to such banks under the provisions of the Federal Reserve Act.

Only 1 such grant may be made within a State in any 1 year, and no such grant shall exceed $40,000. It is estimated that 35 grants at $40,000 each will be made in 1959 and 52 such grants in 1960.

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SMALL BUSINESS ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS FOR RESEARCH AND MANAGEMENT COUNSELING—Con.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	----------	$1,400,000	$2,080,000

Public enterprise funds:

REVOLVING FUND

For additional capital for the revolving fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitations, $200,000,000[: *Provided,* That $50,000,000 of this amount shall be available only upon enactment into law of S. 3651, Eighty-fifth Congress]. (*72 Stat. 384, as amended; 72 Stat. 689; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$200,000,000** Estimate 1960, **$200,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Financial assistance:			
Business loans:			
Direct	$67,735,845	$90,324,000	$99,684,000
Immediate participation	79,264,150	104,832,000	115,596,000
Deferred participation	18,982,364	49,140,000	53,820,000
Total business loans	165,982,359	244,296,000	269,100,000
Disaster loans	16,771,341	14,000,000	14,000,000
Conversions to direct loans	262,995	----------	----------
Conversions to deferred participation loans	918,099	----------	----------
Deferred participation business loans not expected to be purchased (—)	—15,920,370	—39,312,000	—43,056,000
Total loan commitments, net	168,014,424	218,984,000	240,044,000
Administrative expenses:			
Authorized	7,485,446	10,275,000	14,050,000
Proposed increase in limitation due to pay increases	----------	809,000	----------
Other costs and expenses	337,259	225,000	275,000
Total financial assistance	175,837,129	230,293,000	254,369,000
2. Investment and development company assistance:			
Purchase of debentures of small business investment companies	----------	15,000,000	15,000,000
Loans to small business investment companies	----------	25,000,000	42,500,000
Loans to State and local development companies	----------	10,000,000	15,000,000
Total investment and development company assistance	----------	50,000,000	72,500,000
Total operational program	175,837,129	280,293,000	326,869,000
3. Interest expense to Treasury on funds expended	6,649,112	6,894,100	10,689,900
Total program (obligations)	182,486,241	287,187,100	337,558,900
Financing:			
Amounts becoming available:			
Appropriation	120,000,000	200,000,000	200,000,000
Receipts from operations:			
Principal collection on loans:			
Business loans	34,339,261	59,931,000	93,285,000
Disaster loans	6,869,313	6,586,000	8,011,000
Loans to small business investment companies	----------	----------	1,410,000
Loans to State and local development companies	----------	37,000	657,000
Interest and other revenue on loans and investments:			
Financial assistance program	10,153,319	16,099,500	22,408,500
Investment and development company assistance program	----------	202,700	3,027,800
Sale of acquired collateral	257,605	----------	----------
Other receipts	16,969	----------	----------
Recovery of prior year obligations:			
Loan cancellations (financial assistance program)	18,950,576	23,957,600	26,016,800
Repayments to banks on deferred participation disaster loans (financial assistance program)	395,255	142,000	150,000
Total amounts becoming available	190,982,298	306,955,800	354,966,100

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance brought forward	$4,108,982	$12,605,039	$32,373,739
Total amounts available	195,091,280	319,560,839	387,339,839
Unobligated balance carried forward	—12,605,039	—32,373,739	—49,780,939
Financing applied to program	182,486,241	287,187,100	337,558,900

This fund finances business and disaster loans and investment and development company assistance activities authorized by the Small Business Act (72 Stat. 384) and the Small Business Investment Act (72 Stat. 689).

The Congress has authorized loan commitments of $875 million. A maximum of $500 million may be outstanding for business loans, $125 million for disaster loans, and $250 million for investment and development company assistance. It is estimated that the business loan limitation will be reached during 1960, thus legislation will be proposed to increase this limitation. The position with respect to lending authority is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Financial assistance program:			
Business loans:			
Statutory limitation	$305,000,000	$500,000,000	$700,000,000
Anticipated increase in limitation	----------	200,000,000	----------
Total	305,000,000	700,000,000	700,000,000
Less—			
Investment in outstanding loans	183,360,936	309,840,936	407,192,936
Outstanding loan commitments:			
Deferred participation loans disbursed by banks	32,506,270	49,451,270	66,602,270
Undisbursed loan authorizations	74,214,290	72,467,290	79,792,290
Total charges against limitation	290,081,496	431,759,496	553,587,496
Balance of limitation	14,918,504	268,240,504	146,412,504
Disaster loans:			
Statutory limitation	125,000,000	125,000,000	125,000,000
Less—			
Investment in outstanding loans	48,313,246	56,327,246	61,116,246
Outstanding loan commitments:			
Deferred participation loans disbursed by banks	820,455	618,604	268,604
Undisbursed loan authorizations	5,990,188	4,050,039	4,050,039
Total charges against limitation	55,123,889	60,995,889	65,434,889
Balance of limitation	69,876,111	64,004,111	59,565,111
Investment and development company assistance program:			
Statutory limitation	----------	250,000,000	250,000,000
Less—			
Outstanding loans and investments:			
Investment in debentures of small business investment companies	----------	5,000,000	25,000,000
Loans to small business investment companies	----------	20,000,000	51,890,000
Loans to State and local development companies	----------	4,338,000	18,431,000
Outstanding loan and investment commitments: Undisbursed commitments to purchase debentures of small business investment companies	----------	10,000,000	5,000,000
Undisbursed loan commitments:			
Loans to small business investment companies	----------	5,000,000	14,200,000
Loans to State and local development companies	----------	5,625,000	5,875,000
Total charges against limitation	----------	49,963,000	120,396,000
Balance of limitation	----------	200,037,000	129,604,000

Budget program—Financial assistance program—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 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 partici-

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pation loan may be made unless it is shown that a deferred participation loan is not available. The Administration's participation in a loan is limited to 90%, and the agency's maximum commitment of its fund to any one borrower is limited to $350,000, except for a loan to a corporation formed and capitalized by a group of small business concerns for purposes authorized in the Small Business Act. With respect to such "pool" loans, the limitation is $250,000 multiplied by the number of separate small businesses participating in the corporation. Business loans, except for the purpose of constructing facilities, are limited to a maturity of 10 years and except for "pool" loans bear interest at a maximum rate of 5½% per annum on the agency's share thereof. For "pool" loans, the rate of interest on the Small Business Administration's share shall be no less than 3% nor more than 5% per annum.

It is the policy to assist businessmen operating small firms to secure credit for constructive purposes on terms that will meet the borrower's individual requirements. Assistance includes counseling as well as the lending of funds. From the beginning of the lending program on September 29, 1953, through June 30, 1958, a total of 11,110 loans have been approved in a total amount of $519.8 million (including participating banks' share of $83.8 million). Sixty-seven percent of these loans have been on a participation basis. The average size of loans approved to date is $46,785. In 1960 it is estimated that 6,900 loans will be approved compared to an estimate of 6,260 in 1959 and 4,014 in 1958.

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 and repayments 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]

	1958 actual	*1959 estimate*	*1960 estimate*
Loan commitments during the year:			
Total amount	$195.0	$291.2	$320.7
Small Business Administration share	166.0	244.3	269.1
Loans outstanding on June 30 held by banks and Small Business Administration:			
Total amount (estimate)	258.2	429.2	565.7
Small Business Administration share	215.9	359.4	473.9
Loan disbursements by banks and Small Business Administration:			
Total amount	148.4	261.5	276.9
Small Business Administration share	124.8	219.4	232.3
Loan repayments to banks and Small Business Administration:			
Total amount (estimate)	54.8	90.5	140.4
Small Business Administration share (estimate)	44.9	75.9	117.8

Disaster loans.—No restrictions exist on the amount which may be loaned to an individual or business firm 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, 1958, a total of 7,708 loans for $88.3 million has been approved. In view of the unpredictable nature of the program, it is impractical to estimate the volume of new loans which may be committed in 1959 and 1960. For program purposes, a nominal amount of $14 million in new commitments has been assumed, which would represent 1,350 loans based on the average size of loans approved through 1958; 1,559 loans were approved in 1958.

DATA ON DISASTER LOANS

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Loan commitments during the year:			
Total amount	$17.3	$14.0	$14.0
Small Business Administration share	16.8	14.0	14.0
Loans outstanding June 30, held by banks and Small Business Administration:			
Total amount (estimate)	50.4	58.5	62.6
Small Business Administration share	49.1	56.9	61.3
Loan disbursements by banks and Small Business Administration:			
Total amount	14.4	15.1	12.6
Small Business Administration share	14.2	14.5	12.6
Loan repayments to banks and Small Business Administration:			
Total amount (estimate)	8.4	7.0	8.5
Small Business Administration share (estimate)	7.3	6.7	8.2

Deferred participation business loans not expected to be purchased.—This reduction in loan commitments reflects the current policy of committing 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.

Investment and development company assistance program—Purchase of debentures of small business investment companies.—A primary function of these companies is to provide a source of needed equity capital for small business concerns. To facilitate the formation of such companies with capital adequate to meet the demands from small business firms, the Small Business Investment Act of 1958 authorizes the Small Business Administration to purchase debentures of any such company in an amount equal to not more than $150,000.

Loans to small business investment companies.—To further encourage the formation and growth of such companies, the Small Business Administration is also authorized to lend funds to them in amounts which may not exceed 50% of the paid-in capital and surplus of a company.

Loans to State and local development companies.—The Small Business Administration is authorized to lend funds to State development companies for general use purposes; and to State and local development companies for plant construction, conversion, or expansion, including the acquisition of land. Latter type loans shall be so secured as reasonably to assure repayment, may be made directly or in participation with banks or other lending institutions, may be made only when the proceeds are for use solely to assist an identifiable small business concern and for a sound business purpose approved by the agency, and are limited to a maximum of $250,000 for each such identifiable small business concern.

Financing.—The capital of the revolving fund is provided by direct appropriation. Although Congress has authorized appropriations of $900 million, only $540 million has been appropriated based on actual and estimated needs through June 30, 1959. After taking into consideration repayments, revenue and cancellations of prior year loan commitments, and after making provision for a reserve for contingencies of $49.8 million to provide for possible increases in the level of program operations, appropriations of $200 million will be required as additional capital for the fund to finance the estimated program volume.

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SMALL BUSINESS ADMINISTRATION—Continued

Public enterprise funds—Continued

REVOLVING FUND—Continued

Operating results.—The deficit is expected to continue to increase because revenue from low interest rate disaster loans and from a large number of relatively small business loans is not sufficient to cover administrative and other expenses, including interest payable to Treasury on net expenditures from the fund. Administrative expenses for the investment and development company assistance programs are not reflected in the schedules since they are provided by direct appropriation.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Financial assistance program:			
Acquisition of assets:			
Business loan disbursements	$111,117,363	$186,411,000	$190,637,000
Disaster loan disbursements	14,595,350	14,600,000	12,800,000
Conversions to direct loans	262,995		
Other program disbursements	240,647	734	
Expense	14,230,436	18,024,100	23,382,200
Investment and development company assistance program:			
Acquisition of assets:			
Purchases of debentures of small business investment companies		5,000,000	20,000,000
Disbursements on loans to small business investment companies		20,000,000	33,300,000
Disbursements on loans to State and local development companies		4,375,000	14,750,000
Expense		179,000	1,632,700
Total gross expenditures	140,446,791	248,589,834	296,501,900
Receipts from operations (funds provided):			
Financial assistance program:			
Loan repayments	41,208,574	66,517,000	101,296,000
Proceeds from sale of acquired collateral	257,605		
Other receipts	16,969		
Revenue	10,153,319	16,099,500	22,408,500
Investment and development company assistance program:			
Loan repayments		37,000	2,067,000
Revenue		202,700	3,027,800
Decrease in selected working capital	4,440,208	213,534	3,766,700
Total receipts from operations	56,076,675	83,069,734	132,566,000
Budget expenditures	84,370,116	165,520,100	163,935,900

Revenue, Expense, and Retained Earnings

Financial assistance program:			
Revenue	$10,153,319	$16,099,500	$22,408,500
Expense	17,008,127	22,278,100	27,639,400
Net operating loss (−), financial assistance program	−6,854,808	−6,178,600	−5,230,900
Investment and development company assistance program:			
Revenue		202,700	3,027,800
Expense		179,000	1,632,700
Net operating income, investment and development company assistance program		23,700	1,395,100
Nonoperating income:			
Proceeds from sale of acquired collateral	257,605		
Net book value of assets sold (−)	−231,738		
Net nonoperating income	25,867		
Net loss (−) for the year	−6,828,941	−6,154,900	−3,835,800
Deficit (−), beginning of year	−14,204,950	−21,033,891	−27,188,791
Deficit (−), end of year	−21,033,891	−27,188,791	−31,024,591

Financial Condition

Assets:			
Cash with Treasury	$100,072,405	$134,552,305	$170,616,405
Accounts receivable	1,627,172	1,659,372	1,688,472
Deferred charges	734		
Investments and loans receivable, net	224,465,729	384,126,329	548,093,829
Other assets, net	691,151	691,885	691,885
Total assets	326,857,191	521,029,891	721,090,591

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$7,666,372	$7,911,372	$11,707,172
Reserve for contingent losses on deferred participation loans disbursed by banks	224,710	307,310	408,010
Total liabilities	7,891,082	8,218,682	12,115,182
Government investment:			
Interest-bearing capital:			
Start of year	141,986,090	219,343,451	373,779,551
Transfer of interest-bearing expenditures from non-interest-bearing capital during year	77,367,361	154,436,100	149,885,900
End of year	219,343,451	373,779,551	523,665,451
Non-interest-bearing capital:			
Start of year	78,013,910	120,656,549	166,220,449
Appropriations during year	120,000,000	200,000,000	200,000,000
Transfer of expenditures to interest-bearing capital during year (−)	−77,357,361	−154,436,100	−149,885,900
End of year	120,656,549	166,220,449	216,334,549
Deficit (−)	−21,033,891	−27,188,791	−31,024,591
Total Government investment	318,966,109	512,811,209	708,975,409

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$64,442,521	$100,072,405	$134,552,305	$170,616,405
Obligated balance, net:				
Current liabilities	3,119,290	7,666,372	7,911,372	11,707,172
Undisbursed loan authorizations and commitments	58,735,281	81,428,166	95,926,566	110,816,766
Accounts receivable (−)	−1,521,032	−1,627,172	−1,659,372	−1,688,472
Total obligated balance	60,333,539	87,467,366	102,178,566	120,835,466
Unobligated balance	4,108,982	12,605,039	32,373,739	49,780,939

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services: Reimbursement to "Salaries and expenses"	$7,485,446	$11,084,000	$14,050,000
14	Interest expense on appropriated funds expended	6,649,112	6,894,100	10,689,900
16	Investments and loans	168,351,683	269,209,000	312,819,000
	Total obligations	182,486,241	287,187,100	337,558,900

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Administrative expense:			
Authorized	$920,698	$825,000	$750,000
Proposed increase in limitation due to pay increase		72,000	
Other program costs and expense	130,978	100,000	100,000
Interest on borrowings from Treasury	64,345		
Net loss on sale of acquired collateral and other assets	103,352		
Total operating costs	1,219,373	997,000	850,000
Unfunded adjustments to total operating costs:			
Provision for losses on loans included above (−)	−1,316		
Net loss on sale of acquired collateral and other assets (−)	−103,352		
Total operating costs, funded	1,114,705	997,000	850,000
Capital outlay:			
Disbursements on business loans	52,660	50,000	
Costs of security or collateral acquired	89,225		
Total capital outlay	141,885	50,000	
Total program costs, funded	1,256,590	1,047,000	850,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−$41,640	−$50,000	
Total program (obligations)	1,214,950	997,000	$850,000
Financing:			
Amounts becoming available:			
Receipts from operations:			
Principal collections on loans:			
Business loans	5,535,991	3,700,000	2,000,000
Disaster loans	1,745,003	1,600,000	1,500,000
Interest and fee revenue on loans	788,347	450,000	211,000
Other revenue	77,737		
Sale of acquired collateral and other assets	314,347		
Repayments on other assets	422,765	200,000	100,000
Recovery of prior year obligations (repayments and other credits on deferred participation loans and loans sold under guaranty)	651,797	600,000	
Total amounts becoming available	9,535,987	6,550,000	3,811,000
Unobligated balance transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department (Reorganization Plan No. 1 of 1957)	2,380,960		
Reduction in unobligated balance transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department, through reclassification of assets and reserves for losses	−1,792,009		
Unobligated balance brought forward	−82,254	1,677,734	230,734
Total amounts available	10,042,684	8,227,734	4,041,734
Capital transfer (repayment of investment to Treasury) (−)		−7,000,000	−3,000,000
Repayment of borrowings to Treasury (no longer available) (−)	−7,150,000		
Unobligated balance carried forward	−1,677,734	−230,734	−191,734
Financing applied to program	1,214,950	997,000	850,000

This fund finances the liquidation of business and disaster loans of the former Reconstruction Finance Corporation which have been transferred to the Small Business Administration for administration and liquidation. Under Reorganization Plan No. 2 of 1954, disaster loans in an amount of $14.7 million were transferred to the Small Business Administration. Also, pursuant to Reorganization Plan No. 1 of 1957 business loans and other assets of the "Reconstruction Finance Corporation liquidation fund," Treasury Department, in excess of $14 million were transferred.

Budget program.—The program reflects the costs of the administration and liquidation activities relative to the loans and other assets transferred. Since the number of individual loans are gradually being reduced through liquidation, the costs are decreasing each year.

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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Deferred charges	$1,014	$12,034	$12,034	$12,034
Undisbursed loan obligations	------	1,382,141	732,141	732,141
Total selected resources at end of year	1,014	1,394,175	744,175	744,175
Selected resources at start of year (−)		−1,014	−1,394,175	−744,175
Increase or decrease (−) in selected resources		1,393,161	−650,000	
Adjustment due to recovery of prior year obligations		651,797	600,000	
Adjustment for undisbursed loan obligations transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department		−2,086,598		
Costs financed from obligations of other years, net (−)	-----	−41,640	−50,000	

Financing.—Administrative expenses and other program costs are financed from receipts from the liquidation of loans and other assets.

Operating results and financial condition.—In 1958 net budget receipts of $7.8 million provided sufficient funds to make final payment to the Treasury on the note liability assumed in connection with the disaster loans transferred. Estimated net budget receipts of $5 million in 1959 and $3 million in 1960, together with cash funds carried over from 1958, will permit a return of an estimated $10 million to the Treasury by June 30, 1960, on the Government's investment. As of that date the Government investment is estimated to be $4.3 million, comprised of capital of $7 million and a deficit of $2.7 million.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Business loan disbursements	$52,660	$50,000	
Costs of security or collateral acquired	89,225		
Expense	1,114,705	997,000	$850,000
Reduction in working capital transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department, through reclassification of assets	1,790,995		
Increase in selected working capital	213,728		
Total gross expenditures	3,261,313	1,047,000	850,000
Receipts from operations (funds provided):			
Loan repayments	7,280,994	5,300,000	3,500,000
Repayments on other assets	422,765	200,000	100,000
Revenue	866,084	450,000	211,000
Proceeds from sale of acquired collateral and other assets	314,347		
Decrease in selected working capital		50,000	14,000
Working capital transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department	2,143,505		
Total receipts from operations	11,027,695	6,000,000	3,825,000
Budget expenditures	−7,766,382	−4,953,000	−2,975,000

Revenue, Expense, and Retained Earnings

Revenue	$866,084	$450,000	$211,000
Expense	979,808	997,000	850,000
Net operating loss (−) for the year	−113,724	−547,000	−639,000
Nonoperating loss (−):			
Proceeds from sale or other disposition of acquired collateral and other assets	314,347		
Net book value of assets disposed of (−)	−417,699		
Net loss from sale (−)	−103,352		
Net loss (−) for the year	−217,076	−547,000	−639,000
Deficit (−), beginning of year	−1,351,843	−1,568,919	−2,115,919
Deficit (−), end of year	−1,568,919	−2,115,919	−2,754,919

Financial Condition

Assets:			
Cash with Treasury	$2,980,871	$933,871	$908,871
Accounts receivable	572,106	522,106	508,106
Deferred charges	12,034	12,034	12,034
Loans receivable, net	10,952,009	5,702,009	2,202,009
Acquired security and collateral (net)	353,913	353,913	353,913
Other assets, net	1,101,304	901,304	801,304
Total assets	15,972,237	8,425,237	4,786,237
Liabilities:			
Current	493,102	493,102	493,102
Government investment:			
Interest-bearing capital:			
Start of year	7,150,000		
Repayment of borrowings to Treasury	−7,150,000		
End of year			
Non-interest-bearing capital:			
Start of year		17,048,054	10,048,054
Net accountability for assets transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department (Reorganization Plan No. 1 of 1957)	17,094,606		
Adjustment of net accountability for assets transferred	−46,552		
Repayment of investment to Treasury (−)		−7,000,000	−3,000,000
End of year	17,048,054	10,048,054	7,048,054
Deficit (−)	−1,568,919	−2,115,919	−2,754,919
Total Government investment	15,479,135	7,932,135	4,293,135

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SMALL BUSINESS ADMINISTRATION—Continued

Public enterprise funds—Continued

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND—Con.

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$40,436	$2,980,871	$933,871	$908,871
Obligated balance, net: Current liabilities	165,774	493,102	493,102	493,102
Undisbursed loan obligations		1,382,141	732,141	732,141
Accounts receivable (net) (−)	−43,084	−572,106	−522,106	−508,106
Total obligated balance	122,690	1,303,137	703,137	717,137
Unobligated balance	−82,254	1,677,734	230,734	191,734

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services: Reimbursement to "Salaries and expenses"	$920,698	$897,000	$750,000
14 Interest (borrowings from Treasury)	64,345		
16 Investments and loans	229,907	100,000	100,000
Total obligations	1,214,950	997,000	850,000
Obligations are distributed as follows: "Salaries and expenses," Small Business Administration:			
Authorized	$492,620	$825,000	$750,000
Proposed increase due to pay increases		72,000	
Administrative expenses transferred from "Reconstruction Finance Corporation liquidation fund," Treasury (Reorganization Plan No. 1 of 1957)	408,000		
Other program obligations	314,330	172,000	100,000

SMITHSONIAN INSTITUTION

Current authorizations:

SALARIES AND EXPENSES[, SMITHSONIAN INSTITUTION]

For all necessary expenses for the preservation, exhibition, and increase of collections from the surveying and exploring expenditions 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 [$52,525] *$62,525* for expenses of travel; 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; [$7,355,000] *$7,718,000*. *(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; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, [a] **$7,407,800** Estimate 1960, **$7,718,000**

[a] Includes $52,800 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Management	$81,726	$103,251	$103,251
2. Operation of—			
(a) United States National Museum	2,173,187	4,309,628	4,239,788
(b) Bureau of American Ethnology	60,512	62,105	62,105
(c) Astrophysical Observatory	232,180	409,687	394,687
(d) National Collection of Fine Arts	50,661	56,828	56,828

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
2. Operation of—Continued			
(e) National Air Museum	$138,961	$149,299	$149,299
(f) Canal Zone Biological Area	34,785	50,265	50,265
(g) International Exchange Service	76,701	83,096	86,093
3. General services:			
(a) Buildings Management Service	1,624,473	1,725,564	1,691,730
(b) Other general services	662,911	927,551	926,051
Total program costs [1]	5,136,097	7,877,274	7,757,100
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−159,474	−39,100
Obligations incurred for costs of other years, net	966,202		
Total program (obligations)	6,102,299	7,717,800	7,718,000
Financing:			
Unobligated balance no longer available	20		
New obligational authority	6,102,319	7,717,800	7,718,000
New obligational authority:			
Appropriation	$6,102,319	$7,407,800	$7,718,000
Proposed supplemental due to pay increases		310,000	

[1] Includes capital outlay as follows: 1958, $98,426; 1959, $180,000; 1960, $162,000.

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.

During the budget year, exhibit preparation for the new Museum of History and Technology will be accelerated, 5 exhibit renovation projects and 5 building rehabilitation projects will be completed. Visitors: 1956, 4,145,591; 1957, 4,841,818; 1958, 5,423,771.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$692,207	$1,663,180	$1,503,706	$1,464,606
Selected resources at start of year (−)		−692,207	−1,663,180	−1,503,706
Adjustment of selected resources reported at start of year		−4,771		
Costs financed from obligations of other years, net (−)			−159,474	−39,100
Obligations incurred for costs of other years, net		966,202		

Object Classification

	1958 actual	1959 estimate	1960 estimate
SMITHSONIAN INSTITUTION			
Total number of permanent positions	737	872	929
Full-time equivalent of all other positions	23	19	12
Average number of all employees	692	831	874
Number of employees at end of year	798	900	940
Average GS grade and salary	6.3 $5,049	6.2 $5,441	6.1 $5,457
Average salary of ungraded positions	$3,912	$4,022	$4,078
01 Personal services:			
Permanent positions	$3,249,003	$4,073,778	$4,359,693
Positions other than permanent	82,803	80,000	50,000
Other personal services	47,636	57,497	75,663
Total personal services	3,379,442	4,211,275	4,485,356
02 Travel	43,120	52,525	62,525
03 Transportation of things	47,113	60,600	60,600
04 Communication services	42,370	72,080	72,080
05 Rents and utility services	178,541	192,570	192,570
06 Printing and reproduction	181,121	226,760	226,760
07 Other contractual services	113,448	711,800	571,450
08 Supplies and materials	73,423	206,050	206,050
09 Equipment	314,686	1,424,640	1,259,759
11 Grants, subsidies, and contributions	185,044	229,000	243,500
13 Refunds, awards, and indemnities	2,421		
15 Taxes and assessments	7,198	10,500	10,500
Total, Smithsonian Institution	4,567,927	7,397,800	7,391,150

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$45	$50	$50
06 Printing and reproduction	3,012	4,000	3,500
07 Other contractual services	98,633	46,950	44,950
08 Supplies and materials	639	500	500
10 Lands and structures	465,841	427,974	316,950
Total, General Services Administration	568,170	479,474	365,950
Total costs	5,136,097	7,877,274	7,757,100
Costs financed from obligations of other years, net (−)		−159,474	−39,100
Obligations incurred for costs of other years, net	966,202		
Total obligations	6,102,299	7,717,800	7,718,000

Additions to the Natural History Building

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Planning (total program costs)	$144,479	$505,525	$33,579
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders) net (−)		−426,539	−8,579
Obligations incurred for costs of other years (unpaid undelivered orders) net	436,535		
Total program (obligations)	581,014	78,986	25,000
Financing:			
Unobligated balance brought forward		−218,986	−140,000
Unobligated balance carried forward	218,986	140,000	115,000
Appropriation (new obligational authority)	800,000		

1. *Planning.*—The addition is well advanced; construction funds will be requested after approval by the Board of Regents.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $436,535; 1959, $9,996; 1960, $1,417.

Object Classification

	1958 actual	1959 estimate	1960 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		$2,500	$9,600
02 Travel		1,000	2,000
03 Transportation of things		500	1,000
04 Communication services		900	2,000
07 Other contractual services		2,000	4,000
08 Supplies and materials		1,000	1,000
09 Equipment		2,000	5,000
15 Taxes and assessments		100	400
Total, Smithsonian Institution		10,000	25,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$1	100	
06 Printing and reproduction	656	2,500	
07 Other contractual services	143,822	492,925	8,579
Total, General Services Administration	144,479	495,525	8,579
Total costs	144,479	505,525	33,579
Costs financed from obligations of other years, net (−)		−426,539	−8,579
Obligations incurred for costs of other years, net	436,535		
Total obligations	581,014	78,986	25,000

Museum of History and Technology

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1960	Appropriation required to complete
Program by activities:									
1. Planning, design, and supervision	$2,288,000	$201,186	$202,423	$243,333	$283,957	$1,641,058	$1,357,101		
2. Construction	33,712,000			3,312,468	14,701,833	30,399,532	15,697,699		
Total program costs	36,000,000	201,186	202,423	3,555,801	14,985,790	32,040,590	17,054,800		
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)			−177,406		−13,903,790				
Obligations incurred for costs of other years, net				26,194,199					
Total program (obligations)			25,017	29,750,000	1,082,000				
Financing:									
Unobligated balance brought forward			−34,556,719	−34,531,797	−4,781,797				
Recovery of prior year obligations			−95						
Unobligated balance carried forward			34,531,797	4,781,797	3,699,797				
Appropriation (new obligational authority)									

Construction has begun on the Museum of History and Technology which will diffuse knowledge about American civilization. Completion and opening of the building are scheduled for 1962.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $1,242,000; 1958, $1,064,594; 1959, $27,258,793; 1960, $13,355,003.

Object Classification

	1958 actual	1959 estimate	1960 estimate
SMITHSONIAN INSTITUTION			
Average number of all employees	1	4	7
Number of employees at end of year	1	6	10
01 Personal services: Positions other than permanent	$6,315	$25,000	$40,000

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SMITHSONIAN INSTITUTION—Continued

Current authorizations—Continued

MUSEUM OF HISTORY AND TECHNOLOGY—Continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
	SMITHSONIAN INSTITUTION—continued			
02	Travel		$3,500	$4,600
04	Communication services	$25	200	500
06	Printing and reproduction		1,000	1,500
07	Other contractual services	128	11,833	29,457
08	Supplies and materials		300	300
09	Equipment		500	500
15	Taxes and assessments	250	1,000	1,600
	Total, Smithsonian Institution	6,718	43,333	78,457
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel		100	100
03	Transportation of things		100	100
04	Communication services		200	200
06	Printing and reproduction	915	30,000	2,500
07	Other contractual services	194,790	169,600	202,600
10	Land and structures		3,312,468	14,701,833
	Total, General Services Administration	195,705	3,512,468	14,907,333
	Total costs	202,423	3,555,801	14,985,790
	Costs financed from obligations of other years, net (−)	−177,406		−13,903,790
	Obligations incurred for costs of other years, net		26,194,199	
	Total obligations	25,017	29,750,000	1,082,000

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 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] *$7,000* 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; [$1,674,000] *$1,834,000*. (*20 U. S. C. 71–75; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$1,674,000** Estimate 1960, **$1,834,000**

Program and Financing

		1958 actual	1959 estimate	1960 estimate
	Program by activities:			
	1. Management and operation (total program costs) [1]	$1,671,800	$1,811,334	$1,834,000
	2. Relation of costs to obligations:			
	Costs financed from obligations of other years, net (−)		−15,897	
	Obligations incurred for costs of other years, net	12,343		
	Total program (obligations)	1,684,143	1,795,437	1,834,000
	Financing:			
	1959 appropriation available in 1958	−7,563	7,563	
	New obligational authority	1,676,580	1,803,000	1,834,000
	New obligational authority:			
	Appropriation	$1,676,580	$1,674,000	$1,834,000
	Proposed supplemental due to pay increases		129,000	

[1] Includes capital outlay as follows: 1958, $7,611; 1959, $10,400; 1960, $24,000.

1. *Management and operation.*—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: 1956, 1,013,246; 1957, 942,196; 1958, 913,481.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$29,363	$32,638	$29,000	$29,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	18,191	27,259	15,000	15,000
Total selected resources at end of year	47,554	59,897	44,000	44,000
Selected resources at start of year (−)		−47,554	−59,897	−44,000
Costs financed from obligations of other years, net (−)			−15,897	
Obligations incurred for costs of other years, net		12,343		

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions		327		327		327
	Full-time equivalent of all other positions		6		6		6
	Average number of all employees		319		321		317
	Number of employees at end of year		338		338		334
	Average GS grade and salary	4.2	$4,077	4.8	$4,618	4.8	$4,674
	Average salary of ungraded positions		$3,957		$4,185		$4,221
01	Personal services:						
	Permanent positions		$1,311,538		$1,415,700		$1,415,700
	Positions other than permanent		20,337		22,100		22,100
	Other personal services		28,949		30,800		36,200
	Total personal services		1,360,824		1,468,600		1,474,000
02	Travel		2,248		2,400		7,000
03	Transportation of things		595		800		800
04	Communication services		11,603		13,000		13,000
05	Rents and utility services:						
	Electric current		69,935		72,800		72,800
	Steam		53,975		54,700		54,700
06	Printing and reproduction		7,576		10,980		8,200
07	Other contractual services		27,696		54,948		53,700
	Services performed by other agencies		1,108		1,000		1,000
08	Supplies and materials		31,276		35,816		34,100
09	Equipment		8,575		7,890		9,300
10	Lands and structures		15,596				17,000
11	Grants, subsidies, and contributions		78,174		85,700		85,700
13	Refunds, awards, and indemnities		1,005		1,000		1,000
15	Taxes and assessments		1,614		1,700		1,700
	Total		1,671,800		1,811,334		1,834,000
	Costs financed from obligations of other years, net (−)				−15,897		
	Obligations incurred for costs of other years, net		12,343				
	Total obligations		1,684,143		1,795,437		1,834,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, SMITHSONIAN INSTITUTION

Program and Financing

		1958 actual	1959 estimate	1960 estimate
	Program by activities:			
	River basin archeological studies, Department of the Interior (total obligations)	$169,353	$160,673	
	Financing:			
	Unobligated balance brought forward	15,902	22,173	
	Advances and reimbursements from other accounts	175,624	138,500	
	Unobligated balance carried forward	−22,173		
	Total financing	169,353	160,673	

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions		20		18		
	Full-time equivalent of all other positions		25		20		
	Average number of all employees		42		36		
	Number of employees at end of year		120		90		
	Average GS grade and salary	6.1	$4,093	6.2	$4,618		

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Permanent positions	$74,947	$83,251	
Positions other than permanent	57,151	50,659	
Other personal services	1,642	1,076	
Total personal services	133,739	134,986	
02 Travel	10,453	8,000	
03 Transportation of things	321	400	
04 Communication services	534	532	
05 Rents and utility services	3,868	3,885	
07 Other contractual services	4,665	3,000	
08 Supplies and materials	5,632	3,000	
09 Equipment	4,891	1,520	
11 Grants, subsidies, and contributions	1,087	1,150	
15 Taxes and assessments	4,163	4,200	
Total obligations	169,353	160,673	

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] *$400,000. (Sec. 12, title I, Internal Security Act of 1950, 50 U. S. C. 791, as amended; General Government Matters Appropriation Act, 1959.)*

Appropriated 1959, **$375,000** Estimate 1960, **$400,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Adjudication of cases and legal activities (total costs—obligations)	$324,817	$375,000	$400,000
Financing:			
Unobligated balance no longer available	50,183		
Appropriation (new obligational authority)	375,000	375,000	400,000

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 cancelled; 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	36	38	38
Average number of all employees	33	34	36
Number of employees at end of year	32	35	38
Average GS grade and salary	8.5 $6,477	8.7 $7,223	8.9 $7,273
01 Personal services:			
Permanent positions	$287,178	$307,100	$327,100
Other personal services	735	2,900	1,000
Total personal services	287,913	310,000	328,100
02 Travel	1,411	30,000	30,000
03 Transportation of things	28	50	300
04 Communication services	4,201	4,000	4,200
06 Printing and reproduction	2,272	3,000	3,200

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$1,380	$1,400	$6,400
Services performed by other agencies	2,358	3,000	2,600
08 Supplies and materials	2,651	2,500	2,600
09 Equipment	4,243	950	1,000
11 Grants, subsidies, and contributions	18,347	20,000	21,500
15 Taxes and assessments	13	100	100
Total obligations	324,817	375,000	400,000

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Adjudication of cases and legal activities (Department of Justice) (total obligations)	$2,831		
Financing:			
Advances and reimbursements from other accounts	2,831		

Object Classification

01 Personal services: Positions other than permanent	$2,831		

TARIFF COMMISSION

Current authorizations:

Salaries and Expenses

For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed $200), not to exceed [$25,000] *$30,000* 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), [$1,810,000] *$2,035,000: 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, 1959.)*

Appropriated 1959, **$1,810,000** Estimate 1960, **$2,035,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research, investigations, and reports	$1,483,831	$1,669,000	$1,733,700
2. Executive direction and administration	284,104	298,000	301,300
Total obligations	1,767,935	1,967,000	2,035,000
Financing:			
Unobligated balance no longer available	161		
New obligational authority	1,768,096	1,967,000	2,035,000
New obligational authority:			
Appropriation	$1,768,096	$1,810,000	$2,035,000
Proposed supplemental due to pay increases		157,000	

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TARIFF COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The Commission is charged with determining the impact of United States tariff and trade policies on domestic industries and providing information, reports and recommendations to the President, Congress or public on these matters. There will be an increase in the activities of the Commission during the coming year in connection with trade agreements negotiations and related investigations. This increase will be met largely by staff released by the completed study of tariff simplification.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	227	238	242
	Average number of all employees	214	229	232
	Number of employees at end of year	217	231	232
	Average GS grade and salary	8.9 $6,615	8.9 $7,269	8.9 $7,375
01	Personal services:			
	Permanent positions	$1,569,886	$1,743,000	$1,787,700
	Other personal services	8,123	9,200	15,700
	Total personal services	1,578,009	1,752,200	1,803,400
02	Travel	17,833	25,000	30,000
03	Transportation of things	23	50	50
04	Communication services	9,312	9,900	10,550
	Penalty mail	5,855	7,850	8,500
06	Printing and reproduction	6,081	11,000	12,000
07	Other contractual services	8,645	11,090	10,000
	Services performed by other agencies	6,614	3,600	4,000
08	Supplies and materials	20,732	19,010	20,500
09	Equipment	16,442	15,000	20,000
11	Grants, subsidies, and contributions	98,218	112,100	115,800
15	Taxes and assessments	171	200	200
	Total obligations	1,767,935	1,967,000	2,035,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Research, investigations, and reports (total obligations)	$10,092	$11,000	$9,600
Financing:			
Advances and reimbursements from other accounts	10,092	11,000	9,600

Object Classification

		1958 actual	1959 estimate	1960 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	5.0 $3,805	5.0 $4,347	5.0 $4,493
01	Personal services:			
	Permanent positions	$7,934	$8,865	$7,530
	Other personal services	32	35	70
	Total personal services	7,966	8,900	7,600
07	Other contractual services	29	30	30
08	Supplies and materials	1,591	1,470	1,470
11	Grants, subsidies, and contributions	506	600	500
	Total obligations	10,092	11,000	9,600

TAX COURT OF THE UNITED STATES

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including contract stenographic reporting services, [$1,481,000] *$1,535,000: 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, 1959.*)

Appropriated 1959, **$1,481,000** Estimate 1960, **$1,535,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration and adjudication (total program costs)	$1,448,552	$1,521,583	$1,536,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,521	−1,000
Obligations incurred for costs of other years, net	11,034		
Total program (obligations)	1,459,586	1,520,062	1,535,000
Financing:			
1959 appropriation available in 1958	−5,938	5,938	
Unobligated balance no longer available	6,352		
New obligational authority	1,460,000	1,526,000	1,535,000
New obligational authority:			
Appropriation	$1,460,000	$1,481,000	$1,535,000
Proposed supplemental due to pay increases		45,000	

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 1960 the Court proposes a trial program of 160 weeks to be held in approximately 50 cities. This program should result in closing approximately 5,400 cases.

The actual and estimated work volume of the Court is presented in the following tabulation.

	1957 actual	*1958 actual*	*Percent* [1]	*1959 estimate*	*Percent* [1]	*1960 estimate*	*Percent* [1]
Filed	5,259	6,220	18.3	6,850	10.1	6,850	----
Reopened	144	144	----	150	4.2	150	----
Closed	4,645	4,627	−.4	5,200	12.4	5,400	3.8
Pending at close of year	10,666	12,403	16.3	14,203	14.5	15,803	11.3

[1] Percentage increase or decrease over previous year.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$16,547	$25,021	$23,500	$22,500
Selected resources at start of year (−)		−16,547	−25,021	−23,500
Adjustment of selected resources reported at start of year		2,560		
Costs financed from obligations of other years, net (−)			−1,521	−1,000
Obligations incurred for costs of other years, net		11,034		

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	151	150	152
	Average number of all employees	148	148	148
	Number of employees at end of year	150	149	151
	Average GS grade and salary	7.8 $5,537	8.1 $6,323	8.0 $6,333
01	Personal services:			
	Permanent positions	$1,091,209	$1,177,025	$1,182,442
	Positions other than permanent	909		
	Other personal services	114,380	107,575	114,575
	Total personal services	1,206,498	1,284,600	1,297,017
02	Travel	37,688	40,000	40,000
03	Transportation of things	1,260	2,000	2,000
04	Communication services	9,777	11,000	11,000
	Penalty and registered mail	6,998	8,000	10,000
05	Rents and utility services	7,302	7,500	7,500
06	Printing and reproduction	14,482	16,912	16,912
07	Other contractual services	32,057	31,000	31,000
	Services performed by other agencies	5,926	4,550	4,550
08	Supplies and materials	23,554	18,020	18,020
09	Equipment	42,078	23,901	23,901
11	Grants, subsidies, and contributions	60,638	73,600	73,600
15	Taxes and assessments	294	500	500
	Total costs	1,448,552	1,521,583	1,536,000
	Costs financed from obligations of other years, net (−)		−1,521	−1,000
	Obligations incurred for costs of other years, net	11,034		
	Total obligations	1,459,586	1,520,062	1,535,000

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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 [one] *two* hundred [and fifty] for replacement only) and hire of passenger motor vehicles, [$16,850,000] *$15,286,000*, to remain available until expended. (*Public Works Appropriation Act, 1959.*)

Appropriated 1959, **$16,850,000** Estimate 1960, **$15,286,000**

Public enterprise funds:

TENNESSEE VALLEY AUTHORITY FUND

Program and Financing

	Appropriation financed activities			Corporate financed activities			Activities financed from Tennessee Valley Authority fund		
	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Program by activities:									
Operating costs:									
1. Navigation, flood control, and power program:									
Navigation operations	$3,149,204	$3,216,000	$3,469,000				$3,149,204	$3,216,000	$3,469,000
Flood control operations	2,807,592	2,923,000	2,970,000				2,807,592	2,923,000	2,970,000
Power operations				$177,484,430	$187,538,000	$203,718,000	177,484,430	187,538,000	203,718,000
Multipurpose reservoir operations not allocated above				273,074	282,000	281,000	273,074	282,000	281,000
Topographic mapping	213,454	211,000	211,000				213,454	211,000	211,000
2. Fertilizer, agricultural, and munitions program:									
Research on fertilizer products and processes	1,562,143	1,783,000	1,783,000				1,562,143	1,783,000	1,783,000
Fertilizer production and distribution				15,492,475	19,479,000	18,961,000	15,492,475	19,479,000	18,961,000
Fertilizer tests and demonstrations	1,343,872	1,311,000	1,311,000	554,075	562,000	557,000	1,897,947	1,873,000	1,868,000
Agricultural development projects	108,282	103,000	103,000				108,282	103,000	103,000
3. Watershed protection and improvement program	1,007,382	1,058,000	1,094,000				1,007,382	1,058,000	1,094,000
4. General service activities:									
Bridge maintenance, Public Law 562, approved July 29, 1946	2,969	11,000	9,000				2,969	11,000	9,000
Reimbursable services:									
Mapping services				1,102,390	1,108,000	1,110,000	1,102,390	1,108,000	1,110,000
Other				2,805,116	1,963,000	1,325,000	2,805,116	1,963,000	1,325,000
Total operating costs	10,194,898	10,616,000	10,950,000	197,711,560	210,932,000	225,952,000	207,906,458	221,548,000	236,902,000
Unfunded adjustment to total operating costs: Depreciation included above (−)	−2,964,152	−2,912,000	−3,102,000	−44,639,599	−45,909,000	−49,972,000	−47,603,751	−48,821,000	−53,074,000
Total operating costs, funded	7,230,746	7,704,000	7,848,000	153,071,961	165,023,000	175,980,000	160,302,707	172,727,000	183,828,000
Capital outlay: [1]									
1. Navigation, flood control, and power program:									
Multipurpose dam		50,000	200,000					50,000	200,000
Navigation facilities	15,776,427	8,613,000	3,195,000	1,620			15,778,047	8,613,000	3,195,000
Flood control facilities	369,126	488,000	103,000				369,126	488,000	103,000
Power supply facilities	5,343,579	9,463,000		77,748,870	91,519,000	72,312,000	83,092,449	100,982,000	72,312,000
Transmission system facilities				27,446,962	24,700,000	33,270,000	27,446,962	24,700,000	33,270,000
Additions and improvements at existing facilities	495,333	617,000	607,000	384,202	2,013,000	1,644,000	879,535	2,630,000	2,251,000
Investigations for future facilities	126,903	142,000	142,000	91,380	205,000	236,000	218,283	347,000	378,000
2. Fertilizer, agricultural, and munitions program: Chemical facilities	1,406,610	1,123,000	700,000				1,406,610	1,123,000	700,000
4. General service activities: General facilities	143,482	879,694	1,691,000				143,482	879,694	1,691,000
Total capital outlay	23,661,460	21,375,694	6,638,000	105,673,034	118,437,000	107,462,000	129,334,494	139,812,694	114,100,000
Total program costs, funded	30,892,206	29,079,694	14,486,000	258,744,995	283,460,000	283,442,000	289,637,201	312,539,694	297,928,000
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)		−3,324,000		−13,184,623	−15,499,000		−11,979,724	−18,823,000	5,265,000
Obligations incurred for costs of other years, net	1,204,899		800,000			4,465,000			
Total program (obligations)	32,097,105	25,755,694	15,286,000	245,560,372	267,961,000	287,907,000	277,657,477	293,716,694	303,193,000
Financing:									
Amounts becoming available:									
Appropriations	13,317,000	16,850,000	15,286,000				13,317,000	16,850,000	15,286,000
Revenue and receipts:									
Navigation operations				15,786	17,000	15,000	15,786	17,000	15,000
Power operations				232,466,376	240,129,000	258,401,000	232,466,376	240,129,000	258,401,000
Multipurpose reservoir operations				273,074	282,000	281,000	273,074	282,000	281,000
Fertilizer, agricultural, and munitions development				15,050,193	19,259,000	19,180,000	15,050,193	19,259,000	19,180,000
Watershed protection and improvement				89,683	83,000	87,000	89,683	83,000	87,000
Reimbursable services				3,907,506	3,071,000	2,435,000	3,907,506	3,071,000	2,435,000
Other receipts				7,867,473	2,118,000	1,487,000	7,867,473	2,118,000	1,487,000
Total amounts becoming available	13,317,000	16,850,000	15,286,000	259,670,091	264,959,000	281,886,000	272,987,091	281,809,000	297,172,000
Unobligated balance brought forward	27,685,799	8,905,694		−20,990,975	−18,717,077	−23,633,680	6,694,824	−9,811,383	−23,633,680
Total amounts available	41,002,799	25,755,694	15,286,000	238,679,116	246,241,923	258,252,320	279,681,915	271,997,617	273,538,320
Capital transfer (payments to Treasury) (−)				−11,835,821	−1,914,603	−2,097,000	−11,835,821	−1,914,603	−2,097,000
Unobligated balance carried forward	−8,905,694			18,717,077	23,633,680	31,751,680	9,811,383	23,633,680	31,751,680
Financing applied to program	32,097,105	25,755,694	15,286,000	245,560,372	267,961,000	287,907,000	277,657,477	293,716,694	303,193,000

[1] Excludes property transferred in without charge, net, of $27,731 in 1958.

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

The Congress created the Tennessee Valley Authority in 1933 for the unified development of a river basin comprising parts of seven States. Engineering works improve and regulate the Tennessee River for navigation, flood control, and power. Fertilizer and agricultural activities seek better utilization of land and water resources. Forestry activities stress maximum use of forest resources consistent with watershed protection. Watershed improvement activities aim for integrated solution of problems in small tributary areas. All these activities are interrelated. Their common purpose is to help develop the Valley's agricultural and industrial potential for the benefit of both the region and the Nation.

Other national interests are directly served. The Tennessee waterway, a part of the inland waterway system, is an interregional artery for commerce moving to and from ports in 20 States. National defense requirements use over half of TVA's electric power generation. In national emergencies, defense needs have first call on the Muscle Shoals chemical facilities for munitions research and production; in peacetime, they serve as the country's only public research center equipped for complete development of fertilizers from laboratory to demonstration-scale production.

TVA is a wholly owned Government corporation. Its 1960 activities will be financed by the requested appropriation of $15,286,000 and by $287,907,000 derived from revenues and receipts, mostly from power operations. Enactment of proposed legislation would provide for issuance of revenue bonds as an additional means of financing power system facilities.

Budget program—1. *Navigation, flood control, and power program.*—A major objective of the TVA Act is development and use of the Tennessee River for the threefold purpose of navigation, flood control, and power. System facilities consist of 26 major dams with hydroelectric generating stations, 10 navigation locks, 12 major fuel-electric generating stations, and a power transmission network of about 11,370 circuit miles.

NAVIGATION—SUMMARY OF ESTIMATED OPERATING COSTS

	1958 actual	*1959 estimate*	*1960 estimate*
Direct expenses	$242,274	$242,000	$287,000
Distribution of administrative and general expenses	17,144	20,000	20,000
Allocated from multipurpose reservoir operations	1,240,784	1,362,000	1,380,000
Depreciation on navigation facilities	845,356	789,000	979,000
Depreciation allocated from multipurpose reservoir operations	803,646	803,000	803,000
Total operating costs	3,149,204	3,216,000	3,469,000

Navigation operations of the multipurpose reservoir system maintain the all-year 9-foot channel from the mouth of the river to Knoxville, Tenn., a distance of 650 miles. Traffic on the Tennessee waterway is growing rapidly reaching a record volume of 12.7 million tons and 2.1 billion ton-miles in calendar year 1957. This represents an increase of 3.6% in tons and 5.5% in ton-miles over figures for 1956, the year of next highest traffic. Transportation savings to shippers on the 1957 volume of traffic are estimated at $21.5 million, applying mostly to freight originating outside the Valley or moving from the Valley to outside destinations. Engineering work assures that physical facilities are operated, maintained, and modified to meet the needs of modern waterborne commerce. Technical studies appraise the opportunities for use of the waterway and the barriers inhibiting its use. Data supplied to shippers and carriers help solve transportation problems, looking to full utilization of the Federal investment in the navigation channel.

Capital outlay costs for navigation facilities in 1960 are estimated at $3,195,000 providing primarily for continuing construction of the lock at Wilson Dam started in 1957, scheduled for service in midsummer 1959, and for substantial completion by June 1960. Also included is an estimate of $200,000 for planning and design studies for a new lock at Wheeler Dam, Ala. This will be a single-lift lock with 110-foot by 600-foot chamber. Total estimated cost is $16,000,000.

FLOOD CONTROL—SUMMARY OF ESTIMATED OPERATING COSTS

	1958 actual	*1959 estimate*	*1960 estimate*
Direct expenses	$296,676	$284,000	$313,000
Distribution of administrative and general expenses	18,902	20,000	20,000
Allocated from multipurpose reservoir operations	1,246,699	1,372,000	1,390,000
Depreciation on flood control facilities	322,611	325,000	325,000
Depreciation allocated from multipurpose reservoir operations	922,704	922,000	922,000
Total operating costs	2,807,592	2,923,000	2,970,000

Flood control operations maintain and use storage space in upstream reservoirs for seasonal retention of excessive runoff and regulate discharges to rates of flow which can be handled safely by downstream channels and reservoirs. 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. Cities and agricultural lands in the Tennessee Valley are protected. Flood crests can also be reduced on the lower Ohio and Mississippi Rivers; two such reductions last year averted damage estimated at $8,000,000. In May, and again in July 1958, flood heights at Cairo, Ill., were substantially reduced at critical stage; on the second occasion discharges from Kentucky Dam were cut off for two days expressly to reduce the Ohio River flood. As a supplement to operating its reservoir system for flood control, TVA collects and analyzes flood data; studies potential flood control projects and ways to improve operations of the existing system. Technical advice and assistance to State and local agencies encourage them to assume responsibility for solving local urban and rural flood control problems. About 100 communities in the Valley need to deal with such conditions; 35 have received technical data with 8 having officially adopted land-use controls and others planning definite follow-up action. About 11 communities will receive assistance in 1960.

POWER—SUMMARY OF ESTIMATED REVENUE AND RECEIPTS AND OPERATING COSTS

	1958 actual	*1959 estimate*	*1960 estimate*
Revenue and receipts:			
Sales of electric energy (outside)	$230,246,722	$238,110,000	$256,370,000
Other income	2,219,654	2,019,000	2,031,000
Total revenue and receipts	232,466,376	240,129,000	258,401,000
Operating costs:			
Production and transmission (including allocation from multipurpose reservoir operations)	120,486,172	127,236,000	139,206,000
Payments in lieu of taxes	5,271,907	5,907,000	6,279,000
Other operating expenses	10,017,383	11,415,000	11,503,000
Provision for depreciation	43,793,384	45,000,000	49,000,000
Total costs	179,568,846	189,558,000	205,988,000
Less interdivisional sales and rents	2,084,416	2,020,000	2,270,000
Total operating costs	177,484,430	187,538,000	203,718,000
Net income	54,981,946	52,591,000	54,683,000

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

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power. Power is distributed by 150 local public agencies and 2 small privately owned utility companies. Total energy to be supplied to the power system from generating facilities of TVA, the Department of the Army on the Cumberland River, and the Aluminum Company of America on the Little Tennessee River is estimated to be 68.1 billion kilowatt-hours in 1960. This is about 5.9 billion kilowatt-hours greater than the energy supplied to the system in 1958 and about 5.2 billion kilowatt-hours above that estimated to be supplied in 1959. Net income from power operations, after depreciation, for 1960 is estimated to be $54.7 million, representing a return on the average investment in the power program during the fiscal year of about 3.5%. The estimates assume average streamflow conditions. With abnormal streamflows, the net income would be significantly reduced by increases in production expense.

POWER SYSTEM FACILITIES—SUMMARY OF ESTIMATED CAPITAL OUTLAY

	1960 estimate
Power supply facilities:	
Continuing construction of generating units:	
Gallatin steam units 3–4	$3,106,000
John Sevier steam unit 4	115,000
Johnsonville steam units 7–10	2,268,000
Widows Creek steam unit 7	39,823,000
Wilson hydro addition	11,000,000
Beginning construction of generating units:	
Wheeler hydro addition	4,000,000
Colbert steam addition	12,000,000
Total power supply facilities	72,312,000
Transmission system facilities	33,270,000

The 1960 estimate includes $72,312,000 from corporate funds for continuing construction of steam generating units at existing projects and of an addition being started in 1959 to the hydro capacity at Wilson Dam; also included is beginning construction of an addition to the Colbert steam plant and an addition to the hydro capacity at Wheeler Dam. 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. Proposed legislation will again be recommended to the Congress, its purpose being to permit issuance of revenue bonds as an additional means of financing power system facilities. As of June 30, 1958, the installed capacity of the system was 10,222 megawatts, including Department of the Army plants on the Cumberland River and Aluminum Company of America plants on the Little Tennessee River operated as a part of the TVA system. Completion on schedule of units started prior to 1959 (including those being installed at the Cheatham project by the Department of the Army) will bring the system nameplate capacity to 11,746 megawatts by the winter of 1960–61. 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 megawatts; system demands at that time are estimated to be 11,150 megawatts. Presently budgeted capacity additions will increase the system load-carrying ability to 11,400 megawatts by the end of calendar year 1961 and to about 11,950 megawatts by the end of calendar year 1962. The demand for power is continuing to increase and provision is made in the 1960 budget to start additional capacity to meet power requirements in the winter of 1962–63 upon enactment of the proposed revenue bond financing legislation. After the Congress has acted on this legislation requirements for power system additions will be reappraised.

Total investment of the Government is expected to be $2,159,571,658 at the end of 1960. The portion of the total investment in power program assets is as follows:

ANALYSIS OF INVESTMENT IN TVA POWER PROGRAM

[In thousands]

Investment	*1957 actual*	*1958 actual*	*1959 estimate*	*1960 estimate*
Land, structures, and equipment:				
Completed fixed assets	$1,711,355	$1,754,974	$1,901,965	$1,970,718
Less accumulated depreciation	243,925	284,790	329,019	377,249
Net completed fixed assets	1,467,430	1,470,184	1,572,946	1,593,469
Construction in progress	56,181	113,971	92,955	130,130
Investigations in progress	481	572	777	1,013
Inventories	35,613	42,916	36,203	34,736
Funds held for future use	55,172	36,798	23,082	21,122
Total power program assets	1,614,877	1,664,441	1,725,963	1,780,470
Derivation				
Appropriations	1,356,548	1,361,289	1,370,231	1,370,066
Transfers of property	19,383	19,383	19,383	19,383
Bonds	65,073	65,073	65,073	65,073
Subtotal	1,441,004	1,445,745	1,454,687	1,454,522
Less repayments of bonds and payments to Treasury	240,132	250,132	250,132	250,132
Net Treasury investment	1,200,872	1,195,613	1,204,555	1,204,390
Accumulated net power income	413,430	468,413	521,004	575,687
Rents and other collections in advance	251	42	31	20
Contributions in aid of construction	324	373	373	373
Total power program assets	1,614,877	1,664,441	1,725,963	1,780,470

Multipurpose dam.—Estimated capital outlay costs in 1960 include $200,000 for continuation of design for the Melton Hill Dam and Reservoir on the Clinch River, near Oak Ridge, Tenn., about 57 miles downstream from Norris Dam. This project, having an estimated total cost of $35,000,000, will extend the 9-foot navigation channel to Clinton, Tenn., and provide rated power generating capacity of 72,000 kilowatts. Preliminary design studies are being made in 1959.

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 Survey covers 763 quadrangles (about 46,000 square miles). As of June 30, 1958, 641 quadrangles (about 39,000 square miles) were completed and printed. To continue work on the remaining 122 quadrangles (about 7,000 square miles) and complete them by the end of 1962, operating costs in 1960 are estimated to be $211,000.

2. *Fertilizer, agricultural, and munitions program.*—As directed by the TVA Act, chemical facilities at Wilson Dam, Ala., are maintained and operated as a national fertilizer development center. By statute, they must likewise be available for munitions purposes and are an important segment of the national defense program.

Research on fertilizer products and processes has three phases—basic process investigations, small-scale research, and process development in the laboratory and through pilot-plant operation. TVA works cooperatively with the Department of Agriculture and with industry to avoid duplicating efforts. Research results on technological developments and new and improved processes are made available to industry. Knowledge gained in fertilizer research is valuable also in the related field of munitions. The 1960 estimate for this work is $1,783,000, the same as the 1959 estimate. Research on high-temperature techniques for fixation of nitrogen will be started; studies and development work will continue on better utilization of superphosphoric acid and byproduct recovery. Other continuing work relates to fused potassium phosphate and ammonium polyphosphate.

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Fertilizer production and distribution activities have these objectives: To demonstrate the technical and commercial feasibility of new or improved processes, thereby encouraging their adoption by industry; to supply materials for test-demonstration on practical farms and for widespread educational introduction among farmers; and to supply munitions materials or render other services for national defense. New or improved fertilizers are sold to farmers for educational purposes through cooperative and industry distributors who in turn furnish data to TVA concerning distribution costs and farmer acceptance. Significant aspects of 1960 production plans are reduced distribution of calcium metaphosphate and ammonium nitrate; and increased distribution of new materials—ammonium phosphate-nitrate, sulfate-nitrate, and liquid fertilizer. Tonnage of higher analysis superphosphate (54%) will be increased; production of lower analysis superphosphate (48%) was discontinued in 1959. Estimated cost of fertilizer production and distribution in 1960 is $18,961,000; income from the sale of fertilizer products and byproducts is estimated at $18,716,000. These costs for 1958 and 1959 were $15,492,475 and $19,479,000; income for the same years was $14,587,231 and $18,791,000.

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 materials; (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 the latter are to introduce experimental fertilizers and demonstrate their uses to farmers throughout the Nation and to improve the Valley's agriculture, forestry, and watershed-streamflow relationships. Costs of the three activities in 1960 are estimated at $1,868,000; the 1959 estimate is $1,873,000 and the 1958 cost was $1,897,947. About 3,500 farms in 31 States will participate in the program. Farmer payments for TVA fertilizer used in test-demonstrations will total $459,000, averaging about 58% of the plant cost of the material. Agricultural extension services of the land-grant colleges supervise and technically guide farm test-demonstration activities, with TVA bearing part of the cost. During 1960 cooperating institutions will pay an estimated $1,000,000 of the cost of field planning and supervision; TVA's payment is estimated at $285,300.

3. *Watershed protection and improvement program.*—TVA is responsible for the protection and improvement of the Tennessee River watershed in relation to proper use, conservation, and development of the region's natural resources. Moreover, this work helps to protect the Federal investment in dam and reservoir projects from sedimentation. Investigations identify problems of watershed protection and improvement under conditions of optimum use. Research helps develop and test corrective measures. Cooperative projects with State and local groups apply these measures to regional and special problems. Operating costs for 1960 are estimated at $1,094,000, about the same as the 1959 level, and provide for two types of activities: Tributary watershed projects and forestry projects.

Through tributary watershed development projects, TVA assists in finding and demonstrating ways whereby 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 areas. Work planned for 1960 consists of research on the effects of changes in land use on the quality and behavior of water in the streams; continuation of demonstrations in the Chestuee and Beech River watersheds in Tennessee; and development work in the Yellow Creek watershed in Mississippi.

Forestry projects 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 and protection, reforestation, and wood utilization. TVA will produce 17.4 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 this program cover primarily reimbursable services furnished at the request and expense of other agencies. The 1960 estimate of $1,110,000 for mapping services consists of work performed for the Department of the Army ($1,033,000), the Geological Survey ($65,000), and others ($12,000). The principal item in the $1,325,000 estimate for other reimbursable services is $281,000 covering work for the Department of Defense in connection with the Muscle Shoals Phosphate Development Works. The balance of $1,044,000 includes loans of personnel, services for contractors and other agencies, and miscellaneous recoveries of TVA expenditures.

Estimated capital outlay of $1,691,000 for general facilities in 1960 is primarily for purchase of electronic computer equipment. The estimate also provides for the replacement of trucks and other heavy mobile equipment used in all program activities, and for construction of a garage at Knoxville.

5. *Relation of costs to obligations.*—Program obligations in 1960 are estimated to total $303,193,000. As detailed in the following tabulation, corporate financed inventories are estimated to be reduced by $1,664,000. Unpaid undelivered orders, both appropriation and corporate financed, are estimated to be increased by $6,929,000, resulting in a net increase in obligations to be liquidated in future years of $5,265,000.

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories, appropriation financed	$436,210	$490,146	$490,146	$490,146
Inventories, corporate financed	41,700,982	48,585,390	41,703,390	40,039,390
Unpaid undelivered orders, appropriation financed	2,493,071	3,644,034	320,034	1,120,034
Unpaid undelivered orders, corporate financed	80,499,178	60,430,147	51,813,147	57,942,147
Total selected resources at end of year	125,129,441	113,149,717	94,326,717	99,591,717
Selected resources at start of year (−)	−125,129,441	−113,149,717	−94,326,717	
Costs financed from obligations of other years, net (−)		−11,979,724	−18,823,000	
Obligations incurred for costs of other years, net				5,265,000

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Estimated capital outlay obligations and estimates for operating expenses are detailed by programs in the following tabulations:

CAPITAL OUTLAY

	Costs					Obligations			Appropriated funds required for 1960	Corporate funds required for 1960
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate		
Appropriation financed:										
1. Navigation, flood control, and power program:										
Multipurpose dam	$35,000,000	----------	----------	$50,000	$200,000	----------	$50,000	$200,000	$200,000	
Navigation facilities:										
New locks at Wilson and Wheeler dams	54,000,000	$8,412,464	$15,657,679	8,491,000	3,193,000	$17,552,570	6,305,000	3,993,000	3,993,000	
Other navigation facilities	----------	----------	118,748	122,000	2,000	118.245	122,000	2,0 00	2,000	
Flood control facilities	----------	----------	369,126	488,000	103,000	352,556	457,000	103,000	103,000	
Power supply facilities	767,560,359	753,433,489	5,343,579	9,463,000	----------	4,714,442	8,732,000	----------	----------	
Additions and improvements at existing facilities	----------	----------	495,333	617,000	607,000	492,170	594,000	607,000	607,000	
Investigations for future facilities	----------	----------	126,903	142,000	142,000	126,903	142,000	142,000	142,000	
2. Fertilizer, agricultural, and munitions program: Chemical facilities	----------	----------	1,406,610	1,123,000	700,000	954,924	1,121,000	700,000	700,000	
4. General service activities: General facilities	----------	----------	143,482	879,694	1,691,000	500,613	528,694	1,691,000	1,691,000	
Total appropriation financed	----------	----------	23,661,460	21,375,694	6,638,000	24,812,423	18,051,694	7,438,000	7,438,000	
Corporate financed:										
1. Navigation, flood control, and power program:										
Navigation facilities	----------	----------	1,620	----------	----------	1,620	----------	----------	----------	
Power supply facilities	379,941,000	38,340,567	77,748,870	91,519,000	72,312,000	61,821,520	79,201,000	76,462,000	----------	$72,312,000
Transmission system facilities	----------	----------	27,446,962	24,700,000	33,270,000	23,939,210	28,618,000	34,759,000	----------	33,270,000
Additions and improvements at existing facilities	----------	----------	384,202	2,013,000	1,644,000	315,438	2,013,000	1,644,000	----------	1,644,000
Investigations for future facilities	----------	----------	91,380	205,000	236,000	91,380	205,000	236,000	----------	236,000
Total corporate financed	----------	----------	105,673,034	118,437,000	107,462,000	86,169,168	110,037,000	113,101,000	----------	107,462,000
Total capital outlay	----------	----------	129,334,494	139,812,694	114,100,000	110,981,591	128,088,694	120,539,000	7,438,000	107,462,000

OPERATING EXPENSES

	1958 actual	1959 estimate	1960 estimate
Appropriation financed:			
1. Navigation, flood control, and power program:			
Navigation operations	$259,418	$262,000	$307,000
Flood control operations	315,578	304,000	333,000
Multipurpose reservoir operations	2,487,483	2,734,000	2,770,000
Topographic mapping	212,784	210,000	210,000
2. Fertilizer, agricultural, and munitions program:			
Research on fertilizer products and processes	1,505,815	1,727,000	1,727,000
Fertilizer tests and demonstrations	1,338,203	1,303,000	1,303,000
Agricultural development projects	108,282	103,000	103,000
3. Watershed protection and improvement program	1,000,214	1,050,000	1,086,000
4. General service activities: Bridge maintenance, Public Law 562, approved July 29, 1946	2,969	11,000	9,000
Total appropriation financed	7,230,746	7,704,000	7,848,000
Corporate financed:			
1. Navigation, flood control, and power program:			
Power operations	132,027,793	140,708,000	152,863,000
Multipurpose reservoir operations	1,936,327	2,112,000	2,136,000
2. Fertilizer, agricultural, and munitions program:			
Fertilizer production and distribution	14,646,260	18,570,000	17,989,000
Fertilizer tests and demonstrations	554,075	562,000	557,000
4. General service activities: Reimbursable services	3,907,506	3,071,000	2,435,000
Total corporate financed	153,071,961	165,023,000	175,980,000
Total operating expenses	160,302,707	172,727,000	183,828,000

Financing.—Amounts estimated to become available in 1960 would be derived from the requested appropriation of $15,286,000 and from revenues and receipts (mostly from power operations) of $281,886,000.

Operating results and financial condition.—For 1960, net income from power operations is expected to amount to $54,683,000 and net expense of other programs is expected to total $11,173,000, leaving $43,510,000 to be added to accumulated program income. Total accumulated program income through 1960 is estimated at $366,346,324. Only the power operations program is intended to be self-supporting; the net expense of other programs is covered largely by appropriations from the Treasury. Payments to the Treasury in 1960 are estimated at $2,097,000 from nonpower proceeds, bringing total payments from this source to $43.6 million.

In 1960 net budget expenditures are expected to be $7,878,000.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Navigation, flood control, and power program:			
Acquisition of assets	$127,784,402	$137,810,000	$111,709,000
Expense	137,239,383	146,330,000	158,619,000
Fertilizer, agricultural, and munitions program:			
Acquisition of assets	1,406,610	1,123,000	700,000
Expense	18,152,635	22,265,000	21,679,000
Watershed protection and improvement program: Expense	1,000,214	1,050,000	1,086,000
General service activities:			
Acquisition of assets	143,482	879,694	1,691,000
Expense	3,910,475	3,082,000	2,444,000
Subtotal	289,637,201	312,539,694	297,928,000
Increase in selected working capital	7,798,415	----------	----------
Total gross expenditures	297,435,616	312,539,694	297,928,000
Receipts from operations (funds provided):			
Navigation, flood control, and power program: Revenue	232,755,236	240,428,000	258,697,000
Fertilizer, agricultural, and munitions program: Revenue	15,050,193	19,259,000	19,180,000
Watershed protection and improvement program: Revenue	89,683	83,000	87,000
General service activities: Reimbursements	3,907,506	3,071,000	2,435,000
Proceeds from—			
Sale of retired assets and construction costs recovered	8,006,820	2,113,000	1,485,000
Sale of property transferred from other agencies	438	----------	----------
Other	68,923	16,000	13,000
Subtotal	259,878,799	264,970,000	281,897,000
Amortization of long-term advance payments by customers (—)	—208,708	—11,000	—11,000
Decrease in selected working capital	----------	1,082,000	8,164,000
Total receipts from operations	259,670,091	266,041,000	290,050,000
Budget expenditures	37,765,525	46,498,694	7,878,000

Revenue, Expense, and Retained Earnings

Navigation operations:			
Revenue	$15,786	$17,000	$15,000
Expense	3,149,204	3,216,000	3,469,000
Net loss (—), navigation operations	—3,133,418	—3,199,000	—3,454,000
Flood control operations: Expense (net loss (—))	—2,807,592	—2,923,000	—2,970,000

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Power operations:			
Revenue	$232,466,376	$240,129,000	$258,401,000
Expense	177,484,430	187,538,000	203,718,000
Net income, power operations	54,981,946	52,591,000	54,683,000
Multipurpose reservoir operations not allocated above:			
Revenue	273,074	282,000	281,000
Expense	273,074	282,000	281,000
Net income or loss (—)			
Topographic mapping: Expense (net loss (—))	—213,454	—211,000	—211,000
Fertilizer, agricultural, and munitions program:			
Revenue	15,050,193	19,259,000	19,180,000
Expense	19,060,847	23,238,000	22,715,000
Net loss (—), fertilizer, agricultural, and munitions program	—4,010,654	—3,979,000	—3,535,000
Watershed protection and improvement program:			
Revenue	89,683	83,000	87,000
Expense	1,007,382	1,058,000	1,094,000
Net loss (—), watershed protection and improvement program	—917,699	—975.000	—1,007,000
Other programs:			
Interest income from purchasers of village properties: Revenue	19,495	16,000	13,000
Bridge maintenance, Public Law 562, approved July 29, 1946: Expense	2,969	11,000	9,000
Net income, other programs	16,526	5,000	4,000
Net income from power operations, less net loss of other programs	43,915,655	41,309,000	43,510,000
Retained earnings, beginning of year	237,611,669	281,527,324	322,836,324
Retained earnings, end of year (accumulated net income from power operations, less accumulated net loss of other programs)	281,527,324	322,836,324	366,346,324

Financial Condition

Assets:			
Cash with Treasury	$66,149,748	$34,586,451	$39,897,451
Current receivables, net	32,326,078	33,326,078	33,326,078
Inventories	49,075,536	42,193,536	40,529,536
Land, structures, and equipment, net	1,943,705,417	2,032.584,111	2,092,125,111
Total assets	2,091,256,779	2,142,690,176	2,205,878,176
Liabilities:			
Current liabilities	44,213,028	39,413,028	45,913,028
Deferred credits	42,300	31,300	20,300
Total liabilities and deferred credits	44,255,328	39,444,328	45,933,328
Contributions in aid of construction	373,190	373,190	373,190
Government investment:			
Noninterest bearing capital:			
Start of year	1,763,592,027	1,765,100,937	1,780,036,334
Appropriations	13,317,000	16,850,000	15,286,000
Transfers of property from other agencies	27,731		
Payments to Treasury (—):			
Payment on power investment	—10,000,000		
Payment of nonpower proceeds	—1,835,821	—1,914,603	—2,097,000
End of year	1,765,100,937	1,780,036,334	1,793,225,334
Retained earnings (accumulated net income from power operations, less accumulated net loss of other programs)	281,527,324	322,836,324	366,346,324
Total Government investment	2,046,628,261	2,102,872,658	2,159,571,658

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$102,434,094	$66,149,748	$34,586,451	$39,897,451
Obligated balance, net:				
Current liabilities	35,161,644	44,213,028	39,413,028	45,913,028

Status of Certain Fund Balances—Continued

	1957 actual	1958 actual	1959 estimate	1960 estimate
Obligated balance, net—Continued				
Unpaid undelivered orders:				
Appropriation financed	$2,493,071	$3,644,034	$320,034	$1,120,034
Corporate financed [1]	80,499,178	60,430,147	51,813,147	57,942,147
Current receivables	—22,414,623	—32,326,078	—33,326,078	—33,326,078
Total obligated balance	95,739,270	75,961,131	58,220,131	71,649,131
Unobligated balance	6,694,824	—9,811,383	—23,633,680	—31,751,680

[1] Not included in these figures are commitments for fuel contracts which were $95,137,927 at June 30, 1957; $108,886,286 at June 30, 1958; and which are estimated at $115,026,286 as of June 30, 1959, and $120,251,286 at June 30, 1960.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	11,517	11,422	11,308
	Full-time equivalent of all other positions	4,067	5,322	3,858
	Average number of all employees	14,800	16,358	14,914
	Number of employees at end of year	16,056	15,860	15,150
	Average grade and salary, grades established by the Board of Directors	4.5 $6,024	4.6 $6,431	4.6 $6,534
	Average salary of ungraded positions	$5,017	$5.259	$5,476
01	Personal services:			
	Permanent positions	$60,748,284	$65,515,566	$67,122.807
	Positions other than permanent	23,700.216	33,103,667	24,800,914
	Other personal services	2,936,606	3,349,767	3,589,279
	Excess of annual leave taken (—) over leave earned	—125,813		
	Total personal services	87,259,293	101,969,000	95,513,000
02	Travel	1,281,509	1,390,000	1,390,000
03	Transportation of things	22,929,611	21,273,000	25,112,000
04	Communication services	819,252	841,000	889,000
05	Rents and utility services	1,406,688	2,005,000	2,102,000
06	Printing and reproduction	50,645	64,000	72,000
07	Other contractual services	7,825,246	6,378,000	6,543,000
	Services performed by other agencies	7,436,534	6,427,000	6,549,000
08	Supplies and materials	85,483,434	83,394,694	98,406,000
09	Equipment	69,933,586	68,112,000	45,582,000
10	Lands and structures	1,416,677	1,236,000	1,159,000
11	Grants, subsidies, and contributions	9,221,051	10,835,000	11,318,000
13	Refunds, awards, and indemnities	68,466	37,000	38,000
15	Taxes and assessments	1,443,553	1,696,000	1,591,000
	Total accrued expenditures	296.575,545	305,657,694	296,264,000
	Increase or decrease (—) in unpaid undelivered orders	—18,918,068	—11,941,000	6,929,000
	Total obligations	277,657,477	293,716,694	303,193,000

Proposed for later transmission:

TENNESSEE VALLEY AUTHORITY FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital outlay: Navigation, flood control, and power program: Power supply facilities		$1,500,000	$17,500,000
Relation of costs to obligations: Obligations incurred for costs of other years, net		38,500,000	62,500,000
Total program (obligations)		40,000,000	80,000,000
Financing:			
Unobligated balance brought forward			—160,000,000
Unobligated balance carried forward		160,000,000	80,000,000
Proposed supplemental authorization to expend from corporate debt receipts		200,000,000	

Under proposed legislation, 1959.—A supplemental estimate of $200 million is anticipated for new electric generating capacity of at least 1 million kilowatts which would be constructed under proposed legislation providing for revenue bond financing. A reappraisal of requirements will be made after the Congress has acted on the legislation.

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UNITED STATES INFORMATION AGENCY

Current authorizations:

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; [$98,500,000] *$106,800,000*, of which (*a*) 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 $300,000] (*b*) *such funds as may usefully be employed* 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 [$90,000] *$135,000* may be used for representation abroad: *Provided further*, That this appropriation shall be available for expenses in connection with travel of personnel 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, 1959.*)

Appropriated 1959, **$98,500,000** Estimate 1959, **$106,800,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Overseas missions	$41,241,680	$42,717,300	$43,974,800
2. Media services:			
(*a*) Press and publications service	7,702,472	9,118,600	9,201,800
(*b*) Motion picture service	4,972,824	5,293,100	5,752,300
(*c*) Information center service	5,289,672	5,178,200	6,329,900
(*d*) Broadcasting service	17,133,670	18,288,900	19,051,900
(*e*) Television service	636,547	707,600	1,263,300
3. Cooperative programs with private organizations	540,161	579,600	655,900
4. Program direction and appraisal	2,376,331	2,607,300	2,627,100
5. Administration and staff support	5,360,663	5,710,600	5,856,800
6. Administrative support	11,237,856	11,695,800	12,086,200
7. 1959 program obligated in 1958	887,754	−887,754	
Total obligations	97,379,630	101,009,246	106,800,000
Financing:			
19'9 appropriation available in 1958	−887,754	887,754	
Unobligated balance no longer available	25,124		
New obligational authority	96,517,000	101,897,000	106,800,000
New obligational authority:			
Appropriation	$96,517,000	$98,500,000	$106,800,000
Proposed supplemental due to pay increases		3,397,000	

The United States Information Agency submits evidence to peoples of other nations by means of communication techniques 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 increase of approximately $4.9 million in operating funds will provide for: (1) Approximately $3.4 million of local expenses plus related media and other support services to meet increased cost in foreign countries and to allow some expansion in programs in foreign countries; (2) about $600,000 for expansion of worldwide television, motion pictures, and information center activities; (3) $76,000 for cooperative programs with private organizations; (4) $642,000 for operating costs in connection with newly constructed radio facilities; and (5) $166,000 for domestic support activities related to the overall programs.

1. *Overseas missions.*—The program is conducted through 203 posts in 82 countries and is known abroad as the United States Information Service (USIS). The overseas missions carry out country programs designed to present to local audiences the enduring features of America's traditions, arts and culture; and to influence local attitudes and actions in support of United States foreign

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UNITED STATES INFORMATION AGENCY—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

policy. These programs are being expanded and strengthened in critical areas, especially in Africa and Latin America. Overseas missions prepare materials using local facilities whenever possible, but also utilize 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 2 monthly magazines titled "America Illustrated," 1 for distribution in the Soviet Union and 1 for distribution in Poland. The service also operates two regional printing centers.

(*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 36 foreign languages and in English. Programs originate from the United States and from one overseas location. It operates a total of 78 transmitters at 7 locations in the United States and at 9 overseas locations, with a combined radio frequency power output of over 8 million watts. The service will originate a total of 43 hours of programing daily in 1960. The service also supplies the overseas missions with recorded radio programs and scripts, and with radio supplies and equipment.

(*e*) *Television service* acquires and produces television programs for placement in outlets overseas. It also provides guidance to the overseas missions in the production and use of television programs.

3. *Cooperative programs with private organizations.*—The United States Information Agency encourages, guides, 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.

4. *Program direction and appraisal.*—Agency program planning, direction, and appraisal are accomplished through the Director's office, area assistant directors, planning staff, and research and intelligence activities.

5. *Administration and staff support.*—This includes physical and personnel security functions, legal counsel, central administrative services, and emergency planning.

6. *Administrative support.*—Administrative services for the Agency's overseas operations, and certain special support services at headquarters, are obtained through reimbursable arrangements with the Department of State.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	12,067	11,383	11,375
Full-time equivalent of all other positions	100	92	88
Average number of all employees	10,698	10,587	10,769
Number of employees at end of year	10,879	10,954	11,149
Average GS grade and salary	9.2 $6,573	9.4 $7,413	9.4 $7,427
Grades established by the Foreign Service Act of 1946 (22 U. S. C. 801–1158):			
Average Foreign Service Reserve grade and salary	3.0 $11,411	2.9 $12,905	2.9 $12,940
Average Foreign Service staff grade and salary	6.2 $7,304	5.9 $8,331	5.9 $8,323
Average salary of ungraded positions:			
United States and possessions	$4,248	$4,461	$4,461
Foreign countries: Local rates	$1,646	$1,684	$1,684
01 Personal services:			
Permanent positions	$38,007,709	$40,198,167	$40,791,175
Positions other than permanent	410,654	474,849	454,635
Other personal services	3,137,353	3,359,269	3,507,682
Total personal services	41,555,716	44,032,285	44,753,492
02 Travel	3,646,392	4,226,546	4,319,860
03 Transportation of things	3,035,469	3,336,482	3,453,398
04 Communication services	1,872,377	1,886,551	1,844,813
05 Rents and utility services	2,702,033	2,701,714	2,649,653
06 Printing and reproduction	2,479,581	2,687,924	2,728,262
07 Other contractual services	15,375,107	15,371,635	16,994,936
Services performed by other agencies	12,107,876	12,830,387	13,263,710
08 Supplies and materials	6,385,629	6,907,245	7,373,039
09 Equipment	3,149,742	3,201,190	3,764,010
10 Lands and structures	1,182	1,317	1,200
11 Grants, subsidies, and contributions	4,109,891	4,620,074	5,361,484
12 Pensions, annuities, and insurance claims	1,764	1,000	1,000
13 Refunds, awards, and indemnities	1,778	4,712	4,712
15 Taxes and assessments	67,339	78,938	86,431
1959 program obligated in 1958	887,754	−887,754	
Total obligations	97,379,630	101,009,246	106,800,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, Agricultural Trade Development and Assistance Act of 1954, as amended

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Translation, publication, and distribution of books and other publications	$186,113	$1,724,870	$3,008,280
2. Assistance to binational centers		2,762,596	1,645,749
Total obligations	186,113	4,487,466	4,654,029
Financing:			
Unobligated balance brought forward		−986,055	−1,204,711
Unobligated balance carried forward	986,055	1,204,711	1,390,948
Adjustment due to change in exchange rates to permit conversion to dollar equivalents		3,252	
Authorization to expend foreign currency receipts pursuant to 68 Stat. 454	1,172,168	4,709,374	4,840,266

Foreign currencies generated by sale of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) are available to finance certain informational activities. Programs totaling $9,141,495 are planned for 1959 and 1960 on the assumption that such currencies will be deposited and available to the United States Information Agency from sales agreements completed or currently under negotiation.

The currencies are used (1) for translating American text books into foreign languages and arranging for their publication and distribution in educational systems abroad and (2) for assistance to binational organizations in carrying out programs which serve United States interests. Such latter assistance is limited to that necessary to enable these organizations to acquire adequate operational quarters. Both these activities are separate from and do not duplicate those in the Agency's regular program.

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Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$220	$1,724,870	$3,008,280
11	Grants, subsidies, and contributions	185,893	2,762,596	1,645,749
	Total obligations	186,113	4,487,466	4,654,029

Status of Unfunded Allocations

	1958 actual	1959 estimate	1960 estimate
Unfunded balance, start of year		$859,870	$1,078,526
Allocations	$1,172,168	4,709,374	4,840,266
Adjustments due to changes in exchange rates to permit conversion to dollar equivalents		−3,252	
Unfunded balance, end of year	−859,870	−1,078,526	−1,264,763
Transfers into agency account	312,298	4,487,466	4,654,029

Analysis of Expenditures

	1958 actual	1959 estimate	1960 estimate
Obligated balance, start of year	$35,385	$220	$2,916,983
Obligation incurred during year	186,113	4,487,446	4,654,029
Obligated balance, end of year	−220	−2,916,983	−3,608,516
Expenditures	221,278	1,570,683	3,962,496

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, [$4,750,000] *$16,400,000*, 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 (40 U. S. C. 255), and title to any land so acquired shall be approved by the Director of the United States Information Agency. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$14,750,000** Estimate 1960, **$16,400,000**

[a] Includes $10,000,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition and construction of facilities	$1,120,319	$13,632,276	$19,422,000
2. Maintenance and improvement of existing facilities	551,934	1,696,673	530,689
3. Research and development	73,895	74,000	200,000
Total obligations	1,746,148	15,402,949	20,152,689
Financing:			
Unobligated balance brought forward	−5,138,886	−4,405,638	−3,752,689
Recovery of prior year obligations	87,100		
Unobligated balance carried forward	4,405,638	3,752,689	
Appropriation (new obligational authority)	1,100,000	14,750,000	16,400,000

Remaining unobligated balances of funds appropriated in 1959 and prior years and the new appropriation requested for 1960, will make a total of $20,152,689 available for obligation in 1960. These funds, available until expended, will be used for:

1. *Acquisition and construction of new facilities.*—Completion of one major transmitting facility from the East Coast is planned with 1960 funds. In addition, one new transmitter project (Gamma) will be undertaken. Total funds estimated for these two projects in 1959 and 1960 are $30,960,000.

2. *Maintenance and improvement of existing facilities.*—Recurring repairs and improvements to existing facilities, and replacement of obsolete or wornout equipment will require $1,165,984 less than 1959.

3. *Research and development.*—Additional study of radio propagation techniques and problems, engineering design of equipment and antenna systems, and equipment and methods for generating very high frequency power will require an increase of $126,000 over 1959.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	UNITED STATES INFORMATION AGENCY			
03	Transportation of things	$7,623	$257,000	$510,000
07	Other contractual services	544,122	3,757,825	7,131,689
08	Supplies and materials	19,149	16,406	14,000
09	Equipment	974,209	9,970,677	12,299,000
10	Lands and structures		1,312,600	198,000
	Total, United States Information Agency	1,545,103	15,314,508	20,152,689
	ALLOCATION TO DEPARTMENT OF THE ARMY			
05	Rents and utility services	201,045	88,441	
	Total obligations	1,746,148	15,402,949	20,152,689

Allocations Received from Other Accounts

Note.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:
"Educational fund, interest payments of the Government of India," Department of State.
"Educational exchange fund, payments by Finland, World War I debt," Department of State.
"Administration," Ryukyu Islands, Army.

Public enterprise funds:

Payment to Informational Media Guaranty Fund

For payment to the "Informational media guaranty fund", for partial restoration of realized impairment to the capital used in carrying on the authority to make informational media guaranties, as provided in section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1442), [$2,500,000] *$3,500,000*. (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$2,500,000** Estimate 1960, **$3,500,000**

Informational Media Guaranty Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Far East	$6,421,400	$5,550,000	$5,550,000
Near East and South Asia	2,699,970	2,000,000	2,000,000
Latin America		400,000	400,000
West Europe	800,000	700,000	700,000
East Europe	1,549,916	1,650,000	2,200,000
Subtotal	11,471,286	10,300,000	10,850,000
Interest paid to Treasury		767,764	413,784
Total program obligations	11,471,286	11,067,764	11,263,784
Financing:			
Amounts becoming available:			
Appropriation		2,500,000	3,500,000
Revenue and receipts:			
Dollar proceeds from sale of foreign currency	5,491,829	5,522,843	5,556,855
Guaranty fees	152,848	133,900	144,600
Recovery of prior obligations	2,170,549	1,767,279	1,937,707
Total amounts becoming available	7,815,226	9,924,022	11,139,162
Unobligated balance brought forward (authorization to expend from public debt receipts)	5,471,926	1,815,866	672,124
Total amounts available	13,287,152	11,739,888	11,811,286
Unobligated balance carried forward (authorization to expend from public debt receipts)	−1,815,866	−672,124	−547,502
Financing applied to program	11,471,286	11,067,764	11,263,784

Note. Interest payable to Treasury is reflected as an obligation only when paid, not when accrued, on this schedule.

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UNITED STATES INFORMATION AGENCY—Con.

Public enterprise funds—Continued

INFORMATIONAL MEDIA GUARANTY FUND—Continued

This program enables American exporters of books, periodicals, films and other informational media to sell their materials, through regular commercial channels, in foreign countries having a shortage of United States dollar exchange (22 U. S. C. 1442). Under the program, foreign importers make payment to American exporters in foreign currency. Following this, the exporters 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.

Program.—An increase in the issuance of guaranties is proposed for 1960 in the East Europe area where the opportunities for the commercial distribution of American materials are gradually increasing in two countries. The program provides for payment of interest for 1 year as compared with payment in 1959 of cumulative accrued interest through 1957.

Financing.—Since its inception in 1948, the program has been financed primarily from a total Treasury borrowing authority of $28,000,000. Public Law 85–477, approved June 30, 1958, authorized appropriations to restore realized capital impairment. This legislation has the effect of restoring borrowing authority by enabling repayments on outstanding Treasury notes. An appropriation of $2,500,000 was approved for 1959 for this purpose. The 1960 request provides for an appropriation of $3,500,000. Such appropriations cover in part that impairment to the fund from currencies that cannot be sold to United States agencies. Such currencies are transferred to Treasury accounts. In addition, partial financing will continue to be provided by fees from exporters and proceeds from sales of foreign currencies to United States Government agencies.

Operating results.—In 1960 contract coverage will continue to be provided for the commercial distribution of informational materials in Eastern Europe and other countries which limit the free conversion of their currencies into dollars and which require differential rates of exchange. For these reasons, impairment to the fund will continue to result from the inability of Treasury to sell some of the currencies purchased and because of losses due to exchange on the sale of these currencies.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase of foreign currency	$9,519,937	$8,655,843	$8,556,688
Expense: Interest payable to Treasury	413,784	477,487	464,370
Increase in selected working capital		325,488	
Total gross expenditures	9,933,721	9,458,818	9,021,058
Receipts from operations (funds provided):			
Dollar proceeds from sale of foreign currency	5,491,829	5,522,843	5,556,855
Revenue: Guaranty fees	152,848	133,900	144,600
Decrease in selected working capital	448,995		50,586
Total receipts from operations	6,093,672	5,656,743	5,752,041
Budget expenditures	3,840,049	3,802,075	3,269,017

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue: Guaranty fees	$152,848	$133,900	$144,600
Expense:			
Interest payable to Treasury	413,784	477,487	464,370
Proceeds from sale of foreign currency	5,491,829	5,522,843	5,556,855
Net book value of assets sold (−)	−8,107,888	−6,794,487	−6,586,015
Net loss (−) from sale of foreign currency	2,616,059	1,271,644	1,029,160
Writeoff of unsalable foreign currency		981,627	2,089,233
Increase in allowance for unsalable foreign currency	981,627	1,107,606	59,309
Total expense	4,011,470	3,838,364	3,642,072
Net loss (−) for the year	−3,858,622	−3,704,464	−3,497,472
Deficit (realized) (−), beginning of year	−7,317,756	−15,993,830	−17,198,294
Adjustment in previous year provision for loss on foreign currency	4,962,966		
Adjustment for unsalable foreign currency in prior years (−)	−9,780,418		
Appropriations for restoration of capital impairment		2,500,000	3,500,000
Deficit (realized) (−), end of year	−15,993,830	−17,198,294	−17,195,766

Financial Condition

Assets:			
Cash with Treasury	$62,223	$27,912	$4,915
Foreign currency on deposit with Treasury (at cost)	2,942,333	3,822,062	3,703,502
Less allowance for losses on foreign currency for sale (unrealized)	−371,805		
Less allowance for losses on foreign currency to be transferred to Treasury as unavailable for or in excess of requirements of the United States	−981,627	−2,089,233	−2,148,542
Net foreign currency	1,588,901	1,732,829	1,554,960
Total assets	1,651,124	1,760,741	1,559,875
Liabilities:			
Current accounts payable	35,211		
Accrued interest payable to Treasury, net	1,181,548	891,271	941,857
Total liabilities	1,216,759	891,271	941,857
Government investment:			
Interest-bearing capital:			
Start of year	12,975,000	16,800,000	18,067,764
Borrowings from Treasury during year, net	3,825,000	1,267,764	−253,980
End of year	16,800,000	18,067,764	17,813,784
Deficit (−), end of year:			
Realized	−15,993,830	−17,198,294	−17,195,766
Unrealized	−371,805		
Total deficit (−), end of year	−16,365,635	−17,198,294	−17,195,766
Total Government investment	434,365	869,470	618,018

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$77,271	$62,223	$27,912	$4,915
Budget authorization	15,012,611	11,187,610	9,919,846	10,173,826
Total unexpended balance	15,089,882	11,249,833	9,947,758	10,178,741
Obligated balance, net:				
Current liabilities		35,211		
Contingent liabilities on guarantees outstanding	9,617,956	9,398,756	9,275,634	9,631,239
Total obligated balance	9,617,956	9,433,967	9,275,634	9,631,239
Unobligated balance	5,471,926	1,815,866	672,124	547,502

NOTE.—Excludes accrued interest payable to Treasury of $767,764 on June 30, 1957, and amounts shown on statement of financial conditions for the years 1958, 1959, and 1960.

Object Classification

		1958 actual	1959 estimate	1960 estimate
14	Interest		$767,764	$413,784
16	Investments and loans	$11,471,286	10,300,000	10,850,000
	Total obligations	11,471,286	11,067,764	11,263,784

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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Overseas missions:			
(a) Department of State educational exchange program	$1,743,150	$1,990,396	$2,090,200
(b) Miscellaneous services to other accounts	181,475	146,916	160,407
2. Media services:			
(a) Press and publications service	143,299	137,267	137,267
(b) Motion picture service	50,705	49,954	49,954
(c) Information center service	54,996	108,000	133,000
(d) Broadcasting service	6,557	17,912	17,912
3. Administration and staff support	1,566	2,000	
4. Administrative support—educational exchange program	394,150	489,604	513,800
5. Miscellaneous services to other accounts	189,669	200,000	200,000
6. Acquisition and construction of radio facilities	176		
Total obligations	2,765,743	3,142,049	3,302,540
Financing:			
Advances and reimbursements from—			
Other accounts	2,594,753	2,987,805	3,129,914
Non-Federal sources	170,990	154,244	172,626
Total financing	2,765,743	3,142,049	3,302,540

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).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	251	257	257
Number of employees end of year	0	0	0
01 Personal services:			
Permanent positions	$1,166,829	$1,266,504	$1,327,076
Other personal services	170,316	207,340	217,641
Total personal services	1,337,145	1,473,844	1,544,717
02 Travel	176,105	213,101	219,577
03 Transportation of things	97,675	141,810	153,376
04 Communication services	10,120	12,424	14,168
05 Rents and utility services	1,546	200	200
06 Printing and reproduction	25,598	34,624	39,640
07 Other contractual services	186,517	225,353	246,965
Service performed by other agencies	583,819	689,604	713,800
08 Supplies and materials	120,303	125,589	129,538
09 Equipment	164,925	164,610	175,885
10 Lands and structures	176		
11 Grants, subsidies, and contributions	61,400	60,663	64,434
15 Taxes and assessments	414	227	240
Total obligations	2,765,743	3,142,049	3,302,540

VETERANS ADMINISTRATION

Current authorizations:

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; not to exceed $3,500 for newspapers and periodicals; not to exceed [$45,000] *$67,000* 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 $2,700,000 for expenses of travel of employees; [$147,500,000] *$163,373,000*: *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.

[For an additional amount for "General operating expenses", $5,000,000; and the limitation under this head in the Independent Offices Appropriation Act, 1959, on the amount available for expenses of travel of employees, is increased by $200,000.] (*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, 901–926, 943–945, 948–957, 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), *2254, 2301–2319; 6 U. S. C. 14; 24 U. S. C. 30; 28 U. S. C. 1823; 31 U. S. C. 686; 38 U. S. C. 111, chaps. 3, 55, 57, 59, 71; 72 Stat. 1262; 41 U. S. C. 5; Independent Offices Appropriation Act, 1959; General Government Matters Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$152,500,000** Estimate 1960, **$163,373,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. General administration	$11,349,176	$12,413,716	$12,463,401
2. Insurance:			
(a) Program planning and direction	2,335,187	2,434,345	2,478,170
(b) Field operations:			
(1) Executive administration	163,708	170,050	170,680
(2) Insurance operations	18,225,105	17,328,048	19,785,224
(3) Office services	4,056,269	3,669,557	3,459,646
3. Veterans benefits:			
(a) Program planning and direction	4,534,120	4,713,407	4,687,274
(b) Field operations:			
(1) Executive administration	3,423,683	3,590,172	3,580,131
(2) Contact	10,446,306	10,183,073	9,708,883
(3) Compensation and pensions	24,822,961	26,657,039	26,759,664
(4) Vocational rehabilitation and education	25,703,002	23,623,165	20,111,032
(5) Loan guaranty	14,851,754	16,892,972	16,966,283
(6) Guardianship	10,162,932	10,817,683	10,849,896
(7) Office services	31,169,808	31,990,594	31,187,480
Total operating costs	161,244,011	164,483,821	162,207,764
Capital outlay:			
1. General administration	150,866	104,284	77,599
2. Insurance	114,314	98,000	297,280
3. Veterans benefits	1,127,499	763,895	790,357
Total capital outlay	1,392,679	966,179	1,165,236
Total program costs	162,636,690	165,450,000	163,373,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,476,000	
Obligations incurred for costs of other years, net	1,408,522		
Total program (obligations)	164,045,212	163,974,000	163,373,000
Financing:			
1959 appropriation available in 1958	−1,104,000	1,104,000	
Unobligated balance no longer available	59,788		
New obligational authority	163,001,000	165,078,000	163,373,000
New obligational authority:			
Appropriation	$163,001,000	$152,500,000	$163,373,000
Proposed supplemental due to pay increases		12,578,000	

This appropriation provides for all administrative expenses of the agency with the exception of those applicable to the Department of Medicine and Surgery.

The amount for 1959 includes anticipated supplementals of $12,578,000 for pay increases generated by Public Law 85–462 and $860,000 for additional administrative costs generated by new legislation under Public Laws 85–678 (72 Stat. 630), 85–896 (72 Stat. 1716), and 85–857 (72 Stat. 1105). A significant decrease in vocational rehabilitation and education workloads accounts for $3.5 million decrease in 1960 requirements. Key workload forecasts are outlined below. In addition, certain factors in workload trends are discussed 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

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

GENERAL OPERATING EXPENSES—Continued

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. Obligational requirements for the administration of these programs have been reduced from approximately $41.5 million in 1953 to an estimated $26.2 million in 1960. 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

	1958 actual	*1959 estimate*	*1960 estimate*
U. S. Government life insurance	361,000	345,000	328,000
National service life insurance	6,169,550	6,044,000	5,928,910

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Rating actions (disability)	978,127	1,060,000	1,068,000
Authorization actions (disability)	747,982	750,000	760,000
Rating actions (death)	110,159	110,000	115,000
Authorization actions (death)	602,334	590,000	577,000
Cases involving guardianship or fiduciary relationship	369,374	380,000	390,000
Field examinations	154,484	155,000	156,000

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:

	1958 actual	*1959 estimate*	*1960 estimate*
World War II veterans	454	200	100
Korean conflict veterans	522,322	460,000	360,200
War orphans	3,130	6,400	9,000
Vocational rehabilitation trainees	13,893	13,000	10,600

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Guaranteed or insured loans closed	173,307	250,000	300,000
Direct loans closed and fully disbursed	25,806	25,000	24,900
Defaults processed	75,359	80,869	83,666
Claims paid	7,807	8,391	8,697
Loan and property acquisitions	7,683	8,780	8,810
Housing grants	377	430	430

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$202,454	$500,593	$130,123	$130,123
Advances (payments for goods and services on order not yet received)		1,105,530		
Total selected resources at end of year	202,454	1,606,123	130,123	130,123
Selected resources at start of year (−)		−202,454	−1,606,123	−130,123
Adjustment of selected resources reported at start of year		4,853		
Costs financed from obligations of other years, net (−)			−1,476,000	
Obligations incurred for costs of other years, net		1,408,522		

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	27,155	25,716	25,316
	Full-time equivalent of all other positions	15	15	15
	Average number of all employees	25,143	24,142	23,821
	Number of employees at end of year	25,108	24,677	24,227
	Average GS grade and salary	5.8 $4,852	5.8 $5,421	5.8 $5,415
01	Personal services:			
	Permanent positions	$127,552,196	$131,149,921	$128,990,436
	Positions other than permanent	92,262	88,020	75,000
	Other personal services	2,002,177	1,277,649	1,620,963
	Total personal services	129,646,635	132,515,590	130,686,399
02	Travel:			
	Employee	2,877,805	2,854,780	2,825,782
	Beneficiary	220,450	215,000	210,000
03	Transportation of things	308,547	288,761	268,266
04	Communication services	2,638,613	3,007,299	3,236,842
05	Rents and utility services	2,360,059	2,505,570	3,273,642
06	Printing and reproduction	1,742,167	1,623,702	1,906,984
07	Other contractual services	9,327,126	9,088,249	7,543,129
08	Supplies and materials	1,668,033	1,661,156	1,789,345
09	Equipment	1,363,561	960,849	1,161,879
11	Grants, subsidies, and contributions	10,178,032	10,658,837	10,402,004
13	Refunds, awards, and indemnities	277,152	40,000	40,000
15	Taxes and assessments	28,510	30,207	28,728
	Total costs	162,636,690	165,450,000	163,373,000
	Costs financed from obligations of other years, net (−)		−1,476,000	
	Obligations incurred for costs of other years, net	1,408,522		
	Total obligations	164,045,212	163,974,000	163,373,000

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 [$1,100,000] *$1,073,200* 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; [$26,000,000] *$23,005,000*, of which [$15,344,000] *$11,000,000* 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, 46–46e, 50, 55a, 58–59a, 70a–70b, 73b–73c, 75a–75a–1, 84–84c, 118j–1, 118p, 118q, 140, 150, 835–840, 842, 901–926, 943–945, 948–957, 2091–2092, 2094, 2121–2123, 2254, 2301–2319; 24 U. S. C. 30; 31 U. S. C. 686; 38 U. S. C. 109 (a), 111, 213, 216, 230, 233, 234, 903, 1506, chaps. 17, 73, 81, 83, 85; 72 Stat. 1262; Independent Offices Appropriation Act, 1959; General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$26,000,000** Estimate 1960, **$23,005,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Medical, hospital, and domiciliary administration	$7,939,915	$7,854,600	$8,132,000
2. Administration of the construction program	1,198,294	1,266,500	1,491,460
3. Medical research	9,197,449	12,403,400	9,904,500
4. Prosthetic testing and development	960,398	1,018,400	994,500
5. Medical education and training	1,178,176	1,259,300	1,259,300
Total operating costs	20,474,232	23,802,200	21,781,760
Capital outlay:			
1. Medical, hospital, and domiciliary administration	173,120	24,900	45,000
2. Administration of the construction program	18,531	5,000	5,540
3. Medical research	1,685,726	2,940,600	1,095,500
4. Prosthetic testing and development	5,368	5,000	5,500
5. Medical education and training	147,050	71,700	71,700
Total capital outlay	2,029,795	3,047,200	1,223,240
Total program costs	22,504,027	26,849,400	23,005,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−368,976	
Obligations incurred for costs of other years, net	110,772		
Total program (obligations)	22,614,799	26,480,424	23,005,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
1959 appropriation available in 1958	−$350,000	$350,000	
Unobligated balance brought forward		−23,424	
Unobligated balance carried forward	23,424		
Unobligated balance no longer available	15,177		
New obligational authority	22,303,400	26,807,000	$23,005,000
New obligational authority:			
Appropriation	$22,303,400	$26,000,000	$23,005,000
Proposed supplemental due to pay increases		807,000	

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 is a testing and development program for prosthetic, orthopedic and sensory aids for the purpose of improving 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 inservice training, and (*c*) medical illustration.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$407,137	$146,547	$127,571	$127,571
Advances (payments for goods and services on order not yet received)	1,521	350,000		
Total selected resources at end of year	408,658	496,547	127,571	127,571
Selected resources at start of year (−)		−408,658	−496,547	−127,571
Adjustment of selected resources reported at start of year		22,883		
Costs financed from obligations of other years, net (−)			−368,976	
Obligations incurred for costs of other years, net		110,772		

Object Classification

		1958 actual		1959 estimate		1960 estimate
	Total number of permanent positions		2,482		2,672	2,484
	Full-time equivalent of all other positions		61		73	65
	Average number of all employees		2,402		2,604	2,395
	Number of employees at end of year		3,218		3,474	3,173
	Average GS grade and salary	7.2	$5,476	7.3	$6,062	7.4 $6,102
	Average salary of ungraded positions		$7,960		$8,267	$8,596
01	Personal services:					
	Permanent positions		$14,187,391		$16,223,318	$15,149,366
	Positions other than permanent		492,109		590,432	535,712
	Other personal services		104,147		115,915	189,822
	Total personal services		14,783,647		16,929,665	15,874,900
02	Travel:					
	Employee		1,004,432		1,090,600	1,073,200
	Beneficiary		146		300	300
03	Transportation of things		53,926		46,400	48,600
04	Communication services		94,861		97,200	97,000
05	Rents and utility services		69,322		70,800	71,700
06	Printing and reproduction		204,634		207,000	269,000
07	Other contractual services		1,823,142		2,026,034	1,841,800
08	Supplies and materials		1,571,066		2,343,000	1,566,500
09	Equipment		2,029,795		3,047,200	1,223,240
11	Grants, subsidies, and contributions		844,348		973,661	923,600
13	Refunds, awards, and indemnities		8,922			
15	Taxes and assessments		15,786		17,540	15,160
	Total costs		22,504,027		26,849,400	23,005,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Costs financed from obligations of other years, net (−)		−$368,976	
Obligations incurred for costs of other years, net	$110,772		
Total obligations	22,614,799	26,480,424	$23,005,000

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 [seventy] *one hundred and four* passenger motor vehicles for replacement only; not to exceed [$375,000] *$400,000* for expenses of travel of employees; uniforms or allowances therefor as authorized by the Act of September 1, 1954, 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)] *as authorized by section 641 of title 38, United States Code*, for the support of veterans eligible for admission to Veterans Administration facilities for hospital or domiciliary care; [$715,465,000] *$786,779,000, plus reimbursements*: *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 [140,490] *140,846* beneficiaries during the fiscal year [1959] *1960* 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, 901–926, 943–945, 948–957, 2091–2092, 2094, 2121–2123, 2131–2133, 2254, 2301–2319; 38 U. S. C. 109 (a), 111, 216, 233, 234, 903, 1506, ch. 17, 73, 81, 85; 72 Stat. 1262; 41 U. S. C. 5; Independent Offices Appropriation Act, 1959; General Government Matters Appropriation Act, 1959.)*

Appropriated 1959, [a] **$720,667,000** Estimate 1960, **$786,779,000**

[a] Includes $3,400,000 appropriated in Supplemental Appropriation Act, 1959; and $1,802,000 appropriated in Independent Offices Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Maintenance and operation of hospitals:			
(*a*) Neuropsychiatric hospitals	$211,130,269	$224,691,000	$228,865,000
(*b*) Tuberculosis hospitals	50,531,164	49,518,000	49,047,000
(*c*) General medical hospitals	412,688,438	435,335,000	451,834,000
2. Contract hospitalization:			
(*a*) Civil hospitals	5,275,200	5,165,000	5,183,000
(*b*) Municipal and State hospitals	1,791,794	2,369,000	2,475,000
(*c*) Federal hospitals	6,463,648	7,338,000	7,450,000
3. Maintenance and operation of domiciliary facilities:			
(*a*) Operation of Veterans Administration homes	25,164,154	26,560,000	26,815,000
(*b*) State homes	5,971,341	6,158,000	6,480,000
Total operating costs	719,016,008	757,134,000	778,149,000
Capital outlay:			
1. Maintenance and operation of hospitals:			
(*a*) Neuropsychiatric hospitals	2,511,806	2,298,000	3,000,000
(*b*) Tuberculosis hospitals	711,153	500,000	700,000
(*c*) General medical hospitals	4,615,416	3,100,000	4,330,000
3. (*a*) Maintenance and operation of Veterans Administration domiciliary homes	342,608	700,000	600,000
Total capital outlay	8,180,983	6,598,000	8,630,000

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

INPATIENT CARE—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Reimbursable costs: 1. Maintenance and operation of hospitals: General medical hospitals	$4,738,647	$3,000,000	$4,000,000
Total program costs	731,935,638	766,732,000	790,779,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−11,500,000	
Obligations incurred for costs of other years, net	11,284,783		
Total program (obligations)	743,220,421	755,232,000	790,779,000
Financing:			
1959 appropriation available in 1958	−11,500,000	11,500,000	
Advances and reimbursements from—			
Other accounts	−2,800,581	−3,000,000	−3,000,000
Non-Federal sources (72 Stat. 1076)	−1,938,066		−1,000,000
Unobligated balance no longer available	2,056,226		
New obligational authority	729,038,000	763,732,000	786,779,000
New obligational authority:			
Appropriation	$729,038,000	$720,667,000	$786,779,000
Proposed supplemental due to pay increases		43,065,000	

This appropriation provides for the cost of care and treatment of beneficiaries at Veterans Administration hospitals and domiciliaries, contract hospitals, and State homes. To be eligible for such care and treatment a beneficiary must be a veteran of any war with a service-connected disability incurred or aggravated during a period of war, or within the limits of Veterans Administration facilities, for any other disability if the veteran is unable to defray the expenses of necessary hospital or domiciliary care.

Increases in 1960 are occasioned by: (1) An increase of 233 patients in hospitals and 102 members in domiciliary homes; (2) the extra calendar and workday in 1960; (3) wage increases for wage-board employees; (4) the increase in staffing levels to sustain quality medical care; (5) the advancing state of deterioration and obsolescence in the physical plant of many Veterans Administration hospitals; (6) the need for replacement of worn and obsolete equipment; and (7) the higher rate of utilization and cost of commodities and services. The average employment listed below excludes the employment equivalents for consultants and terminal leave payments.

1. *Maintenance and operation of hospitals.*—This covers the operation of 168 Veterans Administration hospitals. The estimated costs for 1960 exceed 1959 by $23,334,000.

VETERANS ADMINISTRATION HOSPITALS

	1958 actual	*1959 estimate*	*1960 estimate*
Neuropsychiatric hospitals:			
Average number of operating beds	55,458	55,392	55,337
Average daily patient load	52,674	52,393	52,349
Average employment (net)	37,148	37,636	38,063
Tuberculosis hospitals:			
Average number of operating beds	7,855	7,353	6,994
Average daily patient load	6,959	6,568	6,278
Average employment (net)	8,517	7,989	7,863
General medical and surgical hospitals:			
Average number of operating beds	57,888	58,209	58,683
Average daily patient load	51,966	52,102	52,669
Average employment (net)	69,170	69,471	71,732
Total, Veterans Administration hospitals:			
Average number of operating beds	121,201	120,954	121,014
Average daily patient load	111,599	111,063	111,296
Average employment (net)	114,835	115,096	117,658

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, certain veterans in training, and veterans in United States Territories and possessions may also receive treatment of non-service-connected disabilities. The net increase in the estimated costs over 1959 of $236,000 is caused by increased Federal per diem rates and increased costs of non-Federal hospitalization.

AVERAGE DAILY PATIENT LOAD

	1958 actual	*1959 estimate*	*1960 estimate*
Civil hospitals	1,131	1,093	1,093
Municipal and State hospitals	585	715	736
Other Federal hospitals	1,266	1,309	1,309
Total	2,982	3,117	3,138

3. *Maintenance and operation of domiciliary facilities.*—This covers the cost of domiciliary care of veterans in 17 Veterans Administration facilities and in 33 State institutions. The net increase in the estimated costs over 1959 is $477,000.

DOMICILIARIES

	1958 actual	*1959 estimate*	*1960 estimate*
Average number of operating beds	17,670	17,699	17,699
Average daily member load:			
Veterans Administration domiciliaries	16,277	16,430	16,430
Veterans Administration hospitals	396	380	382
State homes	9,318	9,500	9,600
Average employment (net)	3,876	3,935	3,935

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,148,653	$869,366	$869,366	$869,366
Advances (payments for goods and services on order not yet received)		11,500,000		
Total selected resources at end of year	1,148,653	12,369,366	869,366	869,366
Selected resources at start of year (−)		−1,148,653	−12,369,366	−869,366
Adjustment of selected resources reported at start of year		64,070		
Costs financed from obligations of other years, net (−)			−11,500,000	
Obligations incurred for costs of other years, net		11,284,783		

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		118,243		118,652		121,234
Full-time equivalent of all other positions		4,630		4,650		4,680
Average number of all employees		120,730		121,030		123,620
Number of employees at end of year		132,832		133,000		135,750
Average GS grade and salary		4.1	$3,934	4.1	$4,342	4.2 $4,337
Average salary of ungraded positions			$4,633		$5,031	$5,102
Personal service costs:						
Permanent positions			$504,647,188		$536,173,000	$551,743,000
Positions other than permanent			28,576,754		28,833,000	28,973,000
Other personal services			14,151,958		14,404,000	16,880,000
Total personal service costs			547,375,900		579,410,000	597,596,000
Direct costs:						
01	Personal services		543,745,561		577,097,000	594,507,000
02	Travel:					
	Employee		360,294		375,000	400,000
	Beneficiary		2,304,454		2,324,000	2,344,000
03	Transportation of things		676,232		717,000	720,000
	Shipment of bodies		215,562		219,000	234,000
04	Communication services		2,703,023		2,797,000	2,813,000
05	Rents and utility services		11,390,361		11,597,000	11,557,000
06	Printing and reproduction		785,010		797,000	807,000
07	Other contractual services		24,748,835		26,501,000	28,166,000
	Medical, nursing, and dental fees		683,011		701,000	788,000
08	Supplies and materials		56,302,592		56,165,000	56,349,000
	Provisions		47,209,101		47,834,000	48,164,000
09	Equipment		8,180,983		6,598,000	8,630,000
11	Grants, subsidies, and contributions		37,056,865		39,572,000	40,906,000
13	Refunds, awards, and indemnities		495,509			
15	Taxes and assessments		192,978		174,000	180,000
Subtotal			737,050,371		773,468,000	796,565,000
Deduct quarters and subsistence charges			9,853,380		9,736,000	9,786,000
Total direct costs			727,196,991		763,732,000	786,779,000

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Reimbursable costs:			
01 Personal services	$3,630,339	$2,313,000	$3,089,000
07 Other contractual services	169,797	113,000	156,000
08 Supplies and materials	375,906	224,000	295,000
Provisions	315,193	191,000	248,000
11 Grants, subsidies, and contributions	247,412	159,000	212,000
Total reimbursable costs	4,738,647	3,000,000	4,000,000
Total costs	731,935,638	766,732,000	790,779,000
Costs financed from obligations of other years, net (−)		−11,500,000	
Obligations incurred for costs of other years, net	11,284,783		
Total obligations	743,220,421	755,232,000	790,779,000

Outpatient Care

For expenses necessary for furnishing outpatient care to beneficiaries of the Veterans Administration, as authorized by law; purchase of [two] *three* passenger motor vehicles for replacement only; uniforms or allowances therefor, as authorized by law (*5 U. S. C. 2131*); and not to exceed [$206,400] *$243,000* for expenses of travel of employees; [$75,399,000] *$83,866,000*. (*5 U. S. C. 46a–46e, 50, 58–59a, 73b, 73b–2, 73c, 84–84c, 118j–1, 118p, 118q, 150, 835–840, 842, 901–926, 943–945, 948–957, 2091–2092, 2094, 2121–2123, 2131–2133, 2254; 38 U. S. C. 109 (a), 111, 1506, chaps. 17, 73, 81; 72 Stat. 1262; Independent Offices Appropriation Act, 1959; General Government Matters Appropriation Act, 1959.*)

Appropriated 1959, **$75,399,000** Estimate 1960, **$83,866,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration	$10,107,767	$10,606,000	$10,649,000
2. Care of patients:			
(a) Medical	59,419,611	59,561,200	62,953,000
(b) Dental	6,510,782	5,005,000	4,902,000
(c) Beneficiary travel	4,633,089	4,584,000	5,273,000
3. Other	50,764	76,800	89,000
Total program costs[1]	80,722,013	79,833,000	83,866,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,404,000	
Obligations incurred for costs of other years, net	1,426,071		
Total program (obligations)	82,148,084	78,429,000	83,866,000
Financing:			
1959 appropriation available in 1958	−1,525,000	1,525,000	
Unobligated balance no longer available	265,916		
New obligational authority	80,889,000	79,954,000	83,866,000
New obligational authority:			
Appropriation	$80,889,000	$75,399,000	$83,866,000
Proposed supplemental due to pay increases		4,555,000	

[1] Includes capital outlay as follows: 1958, $546,510; 1959, $76,000; 1960, $243,000.

This appropriation provides for veterans with service-connected disabilities both medical and dental care by the staffs of 71 Veterans Administration outpatient clinics and by physicians and dentists participating in the hometown medical care program. Outpatient care also is provided to veterans receiving vocational rehabilitation who require treatment to avoid interruption of training, pensioners of nations allied with the United States in World War I and World War II, and veterans of the Spanish-American War, Boxer Rebellion, and Philippine Insurrection. Veterans are also provided examinations in outpatient clinics for purposes of rating for compensation or pension, insurance, and determining their need for hospitalization or domiciliary care.

The increase of $4,033,000 in estimated costs for 1960 is due to an increased medical workload, increased cost of medical fees, extra workday, increased benefits to Republic of the Philippines Commonwealth Army veterans through Public Law 85–461 (72 Stat. 200), and increased contract burial allowance by Public Law 85–674 (72 Stat. 624).

NUMBER OF INDIVIDUALS

	1958 actual	*1959 estimate*	*1960 estimate*
Individuals visiting, medical	2,083,715	2,108,146	2,128,900
Examinations, dental	41,990	31,100	30,700
Treatments, dental	36,107	24,200	23,600
Total	2,161,812	2,163,446	2,183,200
In Veterans Administration facilities:			
Individuals visiting, medical	1,526,990	1,547,010	1,556,000
Examinations, dental	31,700	22,000	21,900
Treatments, dental	19,287	17,050	17,100
Total	1,577,977	1,586,060	1,595,000
By private physicians and dentists:			
Individuals visiting, medical	556,725	561,136	572,900
Examinations, dental	10,290	9,100	8,800
Treatments, dental	16,820	7,150	6,500
Total	583,835	577,386	588,200

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$538,643	$311,870	$432,870	$432,870
Advances (payments for goods and services on order not yet received)	981	1,525,000		
Total selected resources at end of year	539,624	1,836,870	432,870	432,870
Selected resources at start of year (−)		−539,624	−1,836,870	−432,870
Adjustment of selected resources reported at start of year		128,825		
Costs financed from obligations of other years, net (−)			−1,404,000	
Obligations incurred for costs of other years, net		1,426,071		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	6,115	5,740	5,764
Full-time equivalent of all other positions	357	312	312
Average number of all employees	8,450	8,182	8,217
Number of employees at end of year	7,033	6,437	6,485
Average GS grade and salary	4.9 $4,338	4.8 $4,836	4.9 $4,847
Average salary of ungraded positions	$10,636	$11,383	$11,378
01 Personal services:			
Permanent positions	$43,946,976	$45,229,000	$45,406,000
Positions other than permanent	2,862,831	2,583,000	2,583,000
Other personal services	418,745	412,000	593,000
Total personal services	47,228,552	48,224,000	48,582,000
02 Travel:			
Employee	201,264	206,400	243,000
Beneficiary	4,633,089	4,584,000	5,273,000
03 Transportation of things	124,158	101,000	125,200
Shipment of bodies	3,213	3,700	3,700
04 Communication services	582,438	529,000	625,000
05 Rents and utility services	256,546	238,000	258,000
06 Printing and reproduction	91,037	80,000	91,000
07 Other contractual services	1,542,590	1,372,600	1,560,000
Medical and dental fees	10,057,826	9,218,000	10,563,000
08 Supplies and materials	12,658,290	12,214,200	13,254,000
09 Equipment	546,510	76,000	243,000
11 Grants, subsidies, and contributions	2,743,397	2,975,000	3,034,000
13 Refunds, awards, and indemnities	39,607		
15 Taxes and assessments	13,496	11,100	11,100
Total costs	80,722,013	79,833,000	83,866,000
Costs financed from obligations of other years, net (−)		−1,404,000	
Obligations incurred for costs of other years, net	1,426,071		
Total obligations	82,148,084	78,429,000	83,866,000

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

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 allowance therefor, as authorized by law (*5 U. S. C. 2131*), and not to exceed $7,400 for expenses of travel of employees, [$2,055,000] *$2,303,000. (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, 901–926, 943–945, 948–957, 2091–2092, 2093, 2094, 2121–2123; 2131–2133, 2254; 38 U. S. C. chaps. 3, 73, and sub-chap. II of chap. 81; Independent Offices Appropriation Act, 1959; General Government Matters Appropriation Act, 1959.)*

Appropriated 1959, **$2,055,000** Estimate 1960, **$2,303,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administrative operations	$269,826	$280,700	$297,180
2. Storage operations	721,716	728,900	788,500
3. Stock control operations	319,578	332,400	333,600
4. Utility operations	375,406	378,400	457,090
5. Marketing activities	171,403	450,600	426,630
Total program costs [1]	1,857,929	2,171,000	2,303,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−5,000	
Obligations incurred for costs of other years, net	7,660		
Total program (obligations)	1,865,589	2,166,000	2,303,000
Financing:			
1959 appropriation available in 1958	−5,000	5,000	
Unobligated balance no longer available	9,211		
New obligational authority	1,869,800	2,171,000	2,303,000
New obligational authority:			
Appropriation	$1,869,800	$2,055,000	$2,303,000
Proposed supplemental due to pay increases		116,000	

[1] Includes capital outlay as follows: 1958, $13,855; 1959, $6,420; 1960, $36,950.

This appropriation finances the cost of operating a system of three supply depots through which approximately one-fifth of the supplies and equipment used in Veterans Administration facilities are centrally procured and distributed. In addition, the depots provide certain services for other Federal agencies on a reimbursable basis. The depots are located in Hines, Ill., Somerville, N. J., and Wilmington, Calif.

The increase of $137,000 in estimated requirements for 1960 is primarily for one additional workday, approved wage rate schedule increases, and deferred maintenance and equipment items.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$2,857	$5,511	$5,511	$5,511
Advances (payments for goods and services on order not yet received)	90	5,000		
Total selected resources at end of year	2,947	10,511	5,511	5,511
Selected resources at start of year (−)		−2,947	−10,511	−5,511
Adjustment of selected resources reported at start of year		96		
Costs financed from obligations of other years, net (−)			−5,000	
Obligations incurred for costs of other years, net		7,660		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	363	410	408
Average number of all employees	334	381	376
Number of employees at end of year	325	372	369
Average GS grade and salary	5.3 $4,292	5.5 $4,897	5.6 $4,970
Average salary of ungraded positions	$4,611	$4,601	$4,914
01 Personal services:			
Permanent positions	$1,522,558	$1,809,810	$1,834,100
Other personal services	26,639	22,240	29,600
Total personal services	1,549,197	1,832,050	1,863,700
02 Travel	5,133	7,400	7,400
03 Transportation of things	3,244	3,400	3,400
04 Communication services	15,844	22,900	22,900
05 Rents and utility services	63,954	65,500	65,500
06 Printing and reproduction	18,263	18,300	26,000
07 Other contractual services	22,056	22,790	76,420
08 Supplies and materials	70,557	70,600	79,600
09 Equipment	13,855	6,420	36,950
11 Grants, subsidies, and contributions	93,739	121,240	121,130
13 Refunds, awards, and indemnities	1,525		
15 Taxes and assessments	562	400	
Total costs	1,857,929	2,171,000	2,303,000
Costs financed from obligations of other years, net (−)		−5,000	
Obligations incurred for costs of other years, net	7,660		
Total obligations	1,865,589	2,166,000	2,303,000

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances (including burial awards authorized by [title VIII of the Veterans' Benefits Act of 1957 (71 Stat. 117)] *section 902 of title 38, United States Code,* and subsistence allowances [authorized by part VII of Veterans Regulation 1 (a), as amended] *for vocational rehabilitation),* 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), $3,200,000,000], *$3,307,000,000,* to remain available until expended. *(72 Stat. 1263, 1264; 38 U. S. C. 1504, 3021, 3202, and 3203; 38 U. S. C., chs. 11, 13, 15, 23, and 55; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$3,200,000,000** Estimate 1960, **$3,307,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Compensation:			
(*a*) Living veterans:			
Spanish-American War	$653,252	$630,000	$542,000
World War I	220,260,640	215,470,000	204,019,000
World War II	1,109,142,155	1,077,386,819	1,102,476,000
Korean conflict	166,614,405	175,306,000	178,070,000
Peacetime service	58,310,489	68,966,000	78,797,000
Subtotal	1,554,980,941	1,537,758,819	1,563,904,000
(*b*) Deceased veterans:			
Spanish-American War	1,540,198	1,415,000	1,252,000
World War I	65,712,511	63,611,000	60,444,000
World War II	318,525,557	319,508,000	320,271,000
Korean conflict	46,851,055	48,180,000	49,326,000
Peacetime service	36,315,912	42,242,000	48,534,000
Subtotal	468,945,233	474,956,000	479,827,000
Total, compensation	2,023,926,174	2,012,714,819	2,043,731,000
2. Pensions:			
(*a*) Living veterans:			
Yellow fever experiments	4,800	5,000	5,000
Indian wars	125,000	111,000	83,000
Civil War		3,000	3,000
Spanish-American War	58,876,229	51,547,000	41,826,000
World War I	602,931,435	673,128,000	727,188,000
World War II	62,936,870	67,497,000	73,781,000
Korean conflict	3,509,732	4,576,000	5,744,000
Peacetime service	46,892	50,000	46,000
Subtotal	728,430,958	796,917,000	848,676,000
(*b*) Deceased veterans:			
Mexican War	2,724	3,000	2,000
Indian wars	559,972	608,000	532,000
Civil War	2,450,207	3,416,000	2,772,000
Spanish-American War	53,088,718	62,410,000	61,305,000
World War I	222,318,936	238,049,000	251,124,000
World War II	28,227,072	32,261,000	36,268,000
Korean conflict	1,025,434	1,277,000	1,835,000
Peacetime service	24,968	29,000	25,000
Subtotal	307,698,031	338,053,000	353,863,000
Total, pensions	1,036,128,989	1,134,970,000	1,202,539,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
3. Other:			
Emergency officers' disability retirement (World War I)	$3,548,592	$3,552,000	$3,408,000
Adjusted-service and dependents pay	925	1,000	1,000
Subsistence allowance for disabled veteran trainees	18,541,838	17,355,000	14,151,000
Initial burial allowances	21,195,351	35,815,000	43,070,000
Special allowance, dependents (70 Stat. 857)	45,364	75,000	100,000
Total, other	43,332,070	56,798,000	60,730,000
Total program costs	3,103,387,233	3,204,482,819	3,307,000,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−588,780		
Total program (obligations)	3,102,798,453	3,204,482,819	3,307,000,000
Financing:			
Unobligated balance brought forward	−25,031,272	−4,482,819	
Unobligated balance carried forward	4,482,819		
Appropriation (new obligational authority)	3,082,250,000	3,200,000,000	3,307,000,000

This appropriation provides for all compensation, pensions, and allowances, including officers' retirement pay and annuities, and initial burial allowances. On June 30, 1958, there were an estimated 22,727,000 living veterans of all wars and peacetime service and, as of that date, 12.5% of these veterans, or 2,850,477, were receiving benefits under this appropriation. In addition, 1,187,857 dependents of 884,428 deceased veterans were receiving benefits. The cost increase is primarily attributable to the advancing age of veterans (particularly of World War I service), the discharge of personnel from the Armed Forces, the deaths occurring among veterans in civil life, and the enactment of recent legislation liberalizing certain entitlements and rates. It is estimated that the total additional cost of the recent legislation will approximate $30,000,000 in 1960 and $25,000,000 during the current year.

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 anticipated supplemental appropriation requirement of $52,500,000 for 1959 is shown under proposed for later transmission.

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 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 $600 a month per case. Also 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 per case. All rates of peacetime disability compensation are 80% of wartime rates.

The caseload of living veterans is estimated to continue decreasing from the peak which was reached in 1956.

LIVING VETERANS—SERVICE-CONNECTED

[Average number of veterans and costs]

	1958 actual	*1959 estimate*	*1960 estimate*
Spanish-American War	270	250	215
World War I	209,162	197,100	184,800
World War II	1,581,663	1,566,700	1,527,400
Korean conflict	197,466	202,900	206,100
Peacetime service	78,341	89,800	102,600
Total	2,066,902	2,056,750	2,021,115
Average payment per case per year	$752.32		
Average payment per case per year (based on last 9 months' experience in 1958)	$772.92	$773.20	$773.22
Total costs	$1,554,980,941	$1,590,276,000	$1,563,904,000

Dependents of deceased veterans.—The total caseload continues to increase, although the largest group in this category (World War II) appears to have reached a plateau which is maintained through 1960. The continued increase in the average annual payment per case is attributable to legislation providing increased death benefits to a majority of eligible dependents (Public Law 84–881), and increasing military pay rates (Public Law 85–422).

DEPENDENTS OF DECEASED VETERANS—SERVICE-CONNECTED

[Average number of cases and costs]

	1958 actual	*1959 estimate*	*1960 estimate*
Spanish-American War	1,060	955	845
World War I	49,071	46,300	43,800
World War II	276,749	276,200	276,000
Korean conflict	35,591	36,500	37,300
Peacetime service	24,433	28,200	32,400
Total	386,904	388,155	390,345
Average payment per case per year	$1,212.05	$1,223.62	$1,229.24
Total costs	$468,945,233	$474,956,000	$479,827,000

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 totally disabling non-service-connected disability. The legally prescribed standards for determining eligibility are especially liberal for veterans who have reached 65 years of age. The basic rate is $66.15 a month, increased to $78.75, if the veteran is at least 65 years old, or if he has been rated permanently and totally disabled for a continuous period of 10 years. A rate of $135.45 monthly is payable to veterans requiring regular aid and attendance. Eligibility for pension is subject to an annual income limitation of $2,700 for a veteran with a wife or dependent child or $1,400 if he has no such dependents.

The caseload and average payment per case continue to increase primarily because of the increasing number of World War I veterans who are reaching age 65. The two Civil War veterans gained in 1959 are Confederate veterans initially entitled under recent legislation.

LIVING VETERANS—NON-SERVICE-CONNECTED

[Average number of veterans and costs]

	1958 actual	*1959 estimate*	*1960 estimate*
Yellow fever experiments	2	2	2
Indian wars	119	80	60
Civil War	0	2	2
Spanish-American War	46,912	40,300	32,700
World War I	634,269	701,000	753,700
World War II	68,336	74,500	80,900
Korean conflict	3,711	4,700	5,900
Peacetime service	282	260	240
Total	753,631	820,844	873,504
Average payment per case per year	$966.56	$970.85	$975.60
Total costs	$728,430,958	$796,917,000	$848,676,000

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

COMPENSATION AND PENSIONS—Continued

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 caused by military service but who had a service-connected disability at the time of death. This last requirement does not apply to World War I cases. Rates vary, depending upon the relationship and the number of dependents, and the periods of service. Eligibility for pension is generally subject to an annual income limitation of $1,400 to a widow without a child, or $2,700 to a widow with one or more children.

The caseload continues to increase. The Civil War category includes approximately 1,000 widows of Confederate veterans who were initially entitled by Public Law 85–425, effective July 1, 1958. The 1959 increase in average payment per case also results from enactment of Public Law 85–425 which increased rates payable to widows of deceased veterans of the Spanish-American and prior wars. This average is expected to decrease in fiscal year 1960.

DECEASED VETERANS—NON-SERVICE-CONNECTED

[Average number of cases and costs]

	1958 actual	*1959 estimate*	*1960 estimate*
Mexican War	8	5	3
Indian wars	1,072	800	700
Civil War	4,859	4,300	3,500
Spanish-American War	84,889	79,100	77,700
World War I	355,866	379,300	400,900
World War II	40,132	45,800	51,400
Korean conflict	1,156	1,600	2,300
Peacetime service	85	75	65
Total	488,067	510,980	536,568
Average payment per case per year	$630.44	$661.58	$659.49
Total costs	$307,698,031	$338,053,000	$353,863,000

3. *Other—Emergency officers.*—Emergency officers of World War I who are retired for service-connected disability are entitled to special retirement benefits at rates substantially higher than the normal compensation payments. Public Law 85–422, effective June 1, 1958, increased the retirement pay by approximately 6%.

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 in service 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.—Under the provisions of Public Law 85–674, effective August 18, 1958, the Administrator has increased from $150 to $250 (plus transportation charges where death occurs under Veterans' Administration care) the allowance for the funeral expenses of deceased veterans whose deaths occurred after August 18, 1958. This, together with the normal increase in the number of these awards, results in a significant increase in the estimated total cost.

Special allowance, dependents.—Under certain conditions a special allowance is payable to certain dependents of a veteran who dies after December 31, 1956, but who was not fully and currently insured under the Social Security Act. The award is based upon a certification to Veterans Administration by the Social Security Administration.

OTHER

[Average number of cases and costs]

	1958 actual	*1959 estimate*	*1960 estimate*
Emergency officers	1,622	1,480	1,420
Adjusted service and dependents pay	(1)	(1)	(1)
Subsistence allowance	13,893	13,000	10,600
Initial burial allowance	138,100	153,100	168,700
Special allowance—dependents	(1)	75	110
Total costs	$43,332,070	$56,798,000	$60,730,000

[1] Less than 50.

4. *Relation of costs to obligations.*—The year-end balances of refund receivables (overpayments collectible from beneficiaries) are as follows: 1957, $6,023,135; 1958, $5,434,355; 1959, $5,434,355; 1960, $5,434,355.

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims (total costs)	$3,103,387,233	$3,204,482,819	$3,307,000,000
Costs financed from obligations of other years, net (−)	−588,780		
Total obligations	3,102,798,453	3,204,482,819	3,307,000,000

READJUSTMENT BENEFITS

For the payment of benefits to or on behalf of veterans as authorized by [titles II, III, and V] *title II* of the Servicemen's Readjustment Act of 1944, as amended, and [title II of the Veterans Readjustment Assistance Act of 1952, as amended] *chapters 21, 33, 35, 37, and 39 of title 38, United States Code,* and for supplies, equipment, and tuition authorized by [part VII 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, $700,000,000] *chapter 31 of title 38, United States Code, $588,000,000,* 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. 3021; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$700,000,000** Estimated 1960, **$588,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Education and training:			
(a) World War II education	$502,453	$220,000	$110,000
(b) Korean conflict veterans	693,585,510	610,650,000	478,064,344
(c) War orphans	5,183,215	8,448,000	11,880,000
Total, education and training	699,271,178	619,318,000	490,054,344
2. Loan guaranty	80,039,071	92,221,000	96,515,000
3. Special assistance to disabled veterans:			
(a) Vocational rehabilitation	7,564,645	7,215,000	5,835,000
(b) Housing grants	3,738,067	4,257,000	4,257,000
(c) Automobiles and other conveyances for disabled veterans	766,973	480,000	320,000
Total, special assistance to disabled veterans	12,069,685	11,952,000	10,412,000
Total program costs	791,379,934	723,491,000	596,981,344
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,293,225		
Total program (obligations)	790,086,709	723,491,000	596,981,344
Financing:			
Unobligated balance brought forward	−8,512,053	−32,472,344	−8,981,344
Unobligated balance carried forward	32,472,344	8,981,344	
Appropriation (new obligational authority)	814,047,000	700,000,000	588,000,000

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 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

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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 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 War Orphans' Educational Assistance Act. The unit cost was high during 1958 for war orphan trainees because of the disproportionate number of retroactive payments which characterized the early period of the program. Forecasts of trainee loads based upon an analysis of trends in each of the major categories of training and average costs per trainee follow:

	1958 actual	*1959 estimate*	*1960 estimate*
World War II education:			
Average number of trainees	454	200	100
Average cost per trainee	$1,106.72	$1,100.00	$1,100.00
Korean conflict veterans:			
Higher learning	284,771	261,000	204,200
Below college	145,297	132,000	108,000
Correspondence	23,017	24,000	24,000
Institutional on-farm	31,210	23,000	14,000
Job training	38,027	20,000	10,000
Total	522,322	460,000	360,200
Average cost per trainee	$1,327.89	$1,327.50	$1,327.20
War orphans:			
Average number of trainees	3,130	6,400	9,000
Average cost per trainee	$1,655.98	$1,320.00	$1,320.00

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 keep up their mortgage payments, thus requiring the Government to assume the responsibility. 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:

	1958 actual	*1959 estimate*	*1960 estimate*
Interest gratuities, total cost	$6,724	----------	----------
Claims paid:			
Number of claims paid	7,807	8,391	8,697
Average cost per payment	$1,572.67	$1,650.00	$1,750.00
Total cost	$12,277,848	$13,845,000	$15,220,000
Loans acquired:			
Number of loans acquired	152	1,200	1,200
Average cost per acquisition	$6,844.69	$7,200.00	$7,500.00
Total cost	$1,040,393	$8,640,000	$9,000,000
Properties acquired:			
Number of properties acquired	7,531	7,580	7,610
Average cost per acquisition	$8,858.60	$9,200.00	$9,500.00
Total cost	$66,714,106	$69,736,000	$72,295,000

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Expenditures from appropriated funds	$80,032,347	$92,221,000	$96,515,000
Less returns to general fund receipts	21,279,139	24,500,000	28,000,000
Net appropriation expenditures	58,753,208	67,721,000	68,515,000

As of June 30, 1958, cumulative expenditures for claims and acquisitions totaled $327,487,425, however, total cash receipts of $105,171,277 had been returned to the Treasury. Against the resulting cash deficit of $222,316,148, Veterans Administration held assets worth $209,536,585, consisting of real property, cash, and loans and accounts receivable. Actual 1958 and estimated 1959 and 1960 operations are compared in the following statement:

CONDENSED STATEMENT OF INCOME AND EXPENSE AND FINANCIAL CONDITION

	1958 actual	*1958 estimate*	*1960 estimate*
Income:			
Sale of real estate and property rights	$62,894,618	$72,000,000	$81,000,000
Interest on loans and claims	6,663,616	9,200,000	12,000,000
Other income	583,317	600,000	700,000
Total income	70,141,551	81,800,000	93,700,000
Expense:			
Direct operating costs	7,308,897	9,150,000	12,100,000
Cost of sales	58,930,402	68,050,000	75,900,000
Losses on acquired security and collateral	17,032	25,000	30,000
Total expense	66,256,331	77,225,000	88,030,000
Net income before adjustment	3,885,220	4,575,000	5,670,000
Less reserve for losses	4,758,360	5,000,000	5,500,000
Net income or loss (−)	−873,140	−425,000	170,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−13,192,405	−16,585,174	−17,010,174
Adjustment of prior year expense	186,150	----------	----------
Adjustment (revaluation of reserve for losses)	−2,705,779	----------	----------
Deficit (−), end of year	−16,585,174	−17,010,174	−16,840,174
Assets:			
Cash	3,925,598	5,500,000	7,500,000
Loans receivable	156,809,296	210,000,000	262,000,000
Accounts receivable (net)	4,957,989	10,500,000	15,500,000
Real estate owned and in process	43,843,702	52,026,974	62,711,974
Total assets	209,536,585	278,026,974	347,711,974
Liabilities:			
Trust liabilities	3,415,872	4,550,000	5,500,000
Deferred and undistributed credits	389,739	450,000	500,000
Total liabilities	3,805,611	5,000,000	6,000,000
Government investment:			
Appropriation	327,487,425	419,708,425	516,223,425
Less returned to general fund receipts	105,171,277	129,671,277	157,671,277
Net appropriation	222,316,148	290,037,148	358,552,148
Deficit (−)	−16,585,174	−17,010,174	−16,840,174
Total Government investment	205,730,974	273,026,974	341,711,974
Total liabilities and Government investment	209,536,585	278,026,974	347,711,974

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. Based on an analysis of trends, load forecasts, and average costs, total requirements are projected as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Tuition:			
Average number of trainees paid tuition (job training excluded)	10,835	10,400	8,400
Average cost per trainee	$601.73	$600.00	$600.00
Total cost	$6,519,794	$6,240,000	$5,040,000
Supplies and equipment:			
Average number of trainees	13,893	13,000	10,600
Average cost per trainee	$75.21	$75.00	$75.00
Total cost	$1,044,851	$975,000	$795,000
Housing grants:			
Number of housing grants	377	430	430
Average cost per grant	$9,915.30	$9,900.00	$9,900.00
Total cost	$3,738,067	$4,257,000	$4,257,000
Automobiles and other conveyances:			
Number of conveyances	480	300	200
Average cost per conveyance	$1,597.86	$1,600.00	$1,600.00
Total cost	$766,973	$480,000	$320,000

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Accounts receivable (benefit overpayments collectible)	$2,885,239	$1,768,557	$1,768,557	$1,768,557
Unpaid authorizations (approved authorizations for paraplegic housing and automobiles or other conveyances)	739,194	644,251	644,251	644,251
Total selected resources at end of year	3,624,433	2,412,808	2,412,808	2,412,808
Selected resources at start of year (−)		−3,624,433	−2,412,808	−2,412,808
Adjustment of selected resources reported at start of year		−81,600	----------	----------
Costs financed from obligations of other years, net (−)		−1,293,225	----------	----------

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

READJUSTMENT BENEFITS—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$703,009,245	$623,575,000	$494,311,344
12 Pensions, annuities, and insurance claims	88,370,689	99,916,000	102,670,000
Total costs	791,379,934	723,491,000	596,981,344
Costs financed from obligations of other years, net (−)	−1,293,225		
Total obligations	790,086,709	723,491,000	596,981,344

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], *for national service life insurance, for servicemen's indemnities, and for service-disabled veterans insurance, $53,000,000,* to remain available until expended: *Provided,* That [the unexpended balances as of June 30, 1958, in the appropriations for] *certain premiums provided by law to be credited to the* "Military and naval insurance"[,] *or* "National service life insurance"[, and "Servicemen's indemnities" shall be merged with] *appropriations shall be credited to* 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 *for "Military and naval insurance", "National service life insurance", and "Servicemen's indemnities". (38 U. S. C., ch. 19; 70 Stat. 887; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$51,100,000** Estimate 1960, **$53,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Military and naval insurance:			
(a) Payments to United States Government life insurance fund	$879,025	$900,000	$900,000
(b) Direct payments to policyholders and beneficiaries	3,640,541	3,580,000	3,530,000
Total, military and naval insurance	4,519,566	4,480,000	4,430,000
2. National service life insurance:			
(a) Payments to "National service life insurance fund"	14,691,104	11,657,568	11,788,933
(b) Direct payments to policyholders and beneficiaries	773,539	739,350	745,200
Total, national service life insurance	15,464,643	12,396,918	12,534,133
3. Service-disabled veterans insurance: Payments to "Service-disabled veterans insurance fund"			300,000
4. Servicemen's indemnities: Payments to beneficiaries	36,035,082	36,764,175	37,101,228
5. Other expense	27,145		
Total operating costs	56,046,436	53,641,093	54,365,361
Capital outlay:			
6. Acquisition of loans and liens, net	49,721	100,000	100,000
7. Payments effected by income offset (−)	−16,022		
Total capital outlay	33,699	100,000	100,000
Total program (costs—obligations)	56,080,135	53,741,093	54,465,361
Financing:			
Unobligated balance brought forward	−14,199,909	−2,791,454	−810,361
Change in unappropriated receipts	31,494		
Unobligated balance carried forward	2,791,454	810,361	
New obligational authority	44,703,174	51,760,000	53,655,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Annual definite:			
Veterans insurance and indemnities		$51,100,000	$53,000,000
Military and naval insurance	$4,275,000		
National service life insurance	7,600,000		
Servicemen's indemnities	32,127,500		
Permanent indefinite:			
Veterans insurance and indemnities		660,000	655,000
Military and naval insurance	7,225		
National service life insurance	693,449		
Total appropriations	44,703,174	51,760,000	53,655,000

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 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 and is therefore not identical.

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Death and disability awards	446	455	455
Average payment per award	$1,971	$1,978	$1,978

(*b*) *Direct payments to policyholders and beneficiaries.*—(1) Disability awards—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.

(2) Death awards—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	*1958 actual*	*1959 estimate*	*1960 estimate*
Average number of disability awards	6,800	6,700	6,600
Average number of death awards	58	55	55
Annual average payment per disability award	$533	$530	$530
Annual average payment per death award	162	182	182

2. *National service life insurance.*—This appropriation pays certain expenses of the national service life insurance 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. 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 and is therefore not identical.

(*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; and (4) the fund is reimbursed for death claims on policies under waiver of premiums while the insured is on active military duty.

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Description	Average payment per case, 1958	Caseload 1958 actual	Caseload 1959 estimate	Caseload 1960 estimate
(1) Claims for extra hazards of service:				
(a) Death awards	$6,624	631	775	821
(b) Disability awards	138	23,723	22,500	22,500
(2) Gratuitous insurance	3,033	265	237	211
(3) Waiver of overpayments	2,677	15	40	40
(4) Death while under waiver of premiums	7,893	811	303	293

(*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 death which occurred after application but before effective date of a national service life insurance policy; and (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, 1958	Caseload 1958 actual	Caseload 1959 estimate	Caseload 1960 estimate
(1) Claims on nonparticipating national service life insurance:				
(a) Death awards	$2,218	110	104	104
(b) Disability awards	448	167	175	188
(2) Claims from applicants rejected for medical reasons who died in line of duty	574	181	171	171
(3) Claims where applicant died between date of application and effective date	514	311	329	329
(4) Claims on discontinued insurance	483	325	343	343

3. *Service-disabled veterans insurance.*—Beginning in 1960, payments will be made to the service-disabled veterans insurance fund to supplement the premium and other receipts of the fund in amounts necessary to pay claims on insurance policies issued to veterans whose service-connected disabilities made them ineligible for commercial insurance.

4. *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 instalments, plus interest at the rate of 2.25% per year. Payments on awards made prior to January 1, 1957, are expected to remain at the level of about $36 million annually through 1960. Payments will decrease annually, as instalments are completed, beginning in 1961.

Description	1958 actual	1959 estimate	1960 estimate
Average number of death cases with running awards	36,002	36,100	36,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions:			
(a) Payments to "United States Government life insurance fund"	$879,025	$900,000	$900,000
(b) Payments to "National service life insurance fund"	14,691,104	11,657,568	11,788,933
(c) Payment to "Service-disabled veterans insurance fund"			300,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$40,460,285	$41,083,525	$41,376,428
16 Investments and loans	49,721	100,000	100,000
Total obligations	56,080,135	53,741,093	54,465,361

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) or in accordance with part D of title V of the Veterans' Benefits Act of 1957] *sections 631 to 634 of title 38, United States Code,* for expenses incident to medical care and treatment of veterans, [$1,250,000] *$2,000,000. (72 Stat. 1263; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$1,250,000** Estimate 1960, **$2,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Medical care and treatment of veterans	$1,579,802	$1,250,000	$2,000,000
2. Construction and equipping of hospitals	9,926		
Total program (costs—obligations)	1,589,728	1,250,000	2,000,000
Financing:			
Unobligated balance brought forward	−9,964		
Unobligated balance no longer available	38		
Appropriation (new obligational authority)	1,579,802	1,250,000	2,000,000

Grants-in-aid are made to the Republic of the Philippines for the medical care and treatment of eligible Philippine Commonwealth Army veterans. Public Law 85–461 provides for reimbursement at agreed upon patient per diem rates up to a maximum annual amount of $2,000,000. Medical care and treatment is provided by the Philippine Veterans Memorial Hospital, in Manila, which was constructed from United States grants-in-aid totaling approximately $9,400,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$1,589,728	$1,250,000	$2,000,000

Construction of Hospital and Domiciliary Facilities

For hospital and domiciliary facilities, for planning and for major alterations, improvements, and repairs and extending any of the facilities under the jurisdiction of the Veterans Administration or for any of the purposes set forth in [sections 1701–1703 of the Veterans' Benefits Act of 1957 (71 Stat. 141), $19,295,000] *sections 5001 and 5002, title 38, United States Code, $20,159,000,* 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] *annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $69,469,000. (72 Stat. 1263–4; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$19,295,000** Estimate 1960, **$20,159,000**

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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 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct accrued resources, unpaid undelivered orders and unobligated balance, start of year	Add accrued resources, unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1960	Appropriation required to complete
Program by activities:									
1. Construction of new hospitals	$231,132,585	$130,733,179	$9,432,344	$11,856,324	$20,428,416	$37,312,038	$16,883,622		$41,798,700
2. Replacement of existing hospitals	226,223,800	5,622,401	2,747,856	9,447,486	18,580,000	57,694,257	39,114,257		150,711,800
3. Modernization, improvements, and repairs:									
(a) Major (costing over $300,000)	144,417,521	27,305,001	15,614,406	21,408,488	23,484,614	34,233,626	27,908,012	$17,159,000	28,697,000
(b) Minor	18,369,635	4,686,624	3,542,094	3,644,277	5,177,040	3,503,840	1,319,600	2,992,800	
(c) Regional office and supply depots	562,089	129,879	103,371	221,338	107,501	100,301		7,200	
4. Initial portable equipment	44,722,129	37,669,277	1,887,183	1,974,240	1,691,429	3,191,429	1,500,000		
5. Adjustment of prior year costs		1,225,918	−1,225,918						
Total program costs	665,427,759	207,372,279	32,101,336	48,552,153	69,469,000	136,035,491	86,725,491	20,159,000	221,207,500
6. Relation of costs to accrued expenditures: Costs financed from accrued expenditures of other years, net (−)			−2,008	−3,399					
Total accrued expenditures			32,099,328	48,548,754	69,469,000				
Unpaid undelivered orders brought forward			−22,566,793	−54,435,213	−80,167,045				
Unpaid undelivered orders carried forward			54,435,213	80,167,045	60,811,678				
Total program (obligations)			63,967,748	74,280,586	50,113,633				
Financing:									
Unobligated balance brought forward			−128,293,780	−108,854,032	−53,868,446				
Unobligated balance carried forward			108,854,032	53,868,446	23,913,813				
Appropriation (new obligational authority)			44,528,000	19,295,000	20,159,000				

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.

For 1960, a construction program is recommended with new obligational authority of $20,159,000. This will provide $3,000,000 for the full cost of construction of a large number of minor projects (costing less than $300,000 each), $1,980,000 for planning the construction of $22,000,000 in larger modernization projects, $14,379,000 for construction of projects planned in 1959, and $800,000 for plans for the construction of a 400-bed building at the Veterans' Administration hospital at Oteen, N. C.

1. *Construction of new hospitals.*—This activity includes post World War II new beds and conversion programs which consist of 77 projects that provide approximately 38,040 new beds and 12 projects for conversion of beds at existing hospitals. Of the new beds, 10,835 are in neuropsychiatric hospitals, 2,380 in tuberculosis hospitals, 24,525 in general medical and surgical hospitals and 300 in domiciliaries.

STATUS OF NEW BEDS PROVIDED

	1958 actual	*1959 estimate*	*1960 estimate*
Under construction at beginning of year	1,000	1,000	2,000
Put under construction during year	1,000	1,000	
Completed during year	1,000		1,000
Total completed at end of year	34,740	34,740	35,740
Under construction at end of year	1,000	2,000	1,000
Not under construction at end of year	2,300	1,300	1,300

2. *Replacement of existing hospitals.*—This activity includes ten projects that provide for replacement of approximately 7,896 beds (815 neuropsychiatric and 7,081 general medical and surgical) housed in temporary, obsolete, or hazardous structures.

STATUS OF REPLACEMENT, BEDS PROVIDED

	1958 actual	*1959 estimate*	*1960 estimate*
Under construction at beginning of year	561	815	1,315
Put under construction during year	815	500	500
Completed during year	561		
Total completed at end of year	561	561	561
Under construction at end of year	815	1,315	1,815
Not under construction at end of year	6,520	6,020	5,520

3. *Modernization, improvements, and repairs.*—This activity provides for modernization, improvements, and major repairs of structures and other construction at Veterans Administration facilities and is principally required to bring selected old hospitals, insofar as possible up to the standards of the new hospitals. This program was undertaken in 1953 and has 663 projects including the proposed 1960 modernization, improvements, and repairs 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, 1958	294	$29,434,100
Physically completed, June 30, 1958	31	8,026,700
Under construction, June 30, 1958	103	52,913,900
Scheduled to be placed under construction, 1959	126	31,675,100
Scheduled to be placed under construction, 1960	92	28,390,600
To be placed under construction, future years	17	31,678,600

4. *Initial portable equipment.*—This activity provides initial portable equipment for all projects approved under the Construction of hospital and domiciliary facilities appropriation prior to 1957, except for the new general hospitals proposed for Washington, D. C., Cleveland, Ohio, and the first phase replacement project for Downey, Ill.

6. *Relation of costs to accrued expenditures.*—For the first time this year. this account includes a limitation on accrued expenditures in accordance with Public Law 85–759, approved August 25, 1958. Year-end balances of advances are as follows: June 30, 1957, $2,005,407; 1958, $2,003,399; 1959, $2,000,000; 1960, $2,000,000.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
VETERANS ADMINISTRATION			
Total number of permanent positions	291	304	275
Full-time equivalent of all other positions	23	100	100
Average number of all employees	273	388	371
Number of employees at end of year	269	375	350
Average GS grade and salary	9.2 $6,859	9.4 $7,521	9.3 $7,483
01 Personal services:			
Permanent positions	$1,792,646	$2,135,425	$2,027,496
Positions other than permanent	207,190	520,000	520,000
Other personal services	12,720	13,117	20,404
Total personal services	2,012,556	2,668,542	2,567,900
02 Travel	43,260	88,000	88,000
03 Transportation of things	909	1,500	1,500
04 Communication services	5,273	7,000	7,000
05 Rents and utility services	879	5,000	5,000
07 Other contractual services	1,011,548	2,499,336	3,216,175
08 Supplies and materials	214,402	300,000	400,000
09 Equipment	1,972,406	2,558,469	3,182,621
10 Lands and structures	26,663,471	40,057,009	59,854,666
11 Grants, subsidies, and contributions	107,051	137,380	130,838
13 Refunds, awards, and indemnities	470		
15 Taxes and assessments	5,971	13,200	15,300
Total costs, Veterans Administration	32,038,196	48,335,436	69,469,000
ALLOCATION TO CORPS OF ENGINEERS, ARMY			
Total number of permanent positions	2	1	
Average number of all employees	1	1	
Number of employees at end of year	0	0	
Average GS grade and salary	7.4 $5,552	7.3 $6,129	
01 Personal services:			
Permanent positions	$8,318	$3,090	
Other personal services	27	10	
Total personal services	8,345	3,100	
02 Travel	5		
07 Other contractual services: Services performed by "Revolving fund, Corps of Engineers, Army"	1,797	35,970	
10 Lands and structures	52,993	177,647	
Total costs, Corps of Engineers, Army	63,140	216,717	
Total costs	32,101,336	48,552,153	69,469,000
Costs financed from accrued expenditures of other years, net (−)	−2,008	−3,399	
Total accrued expenditures	32,099,328	48,548,754	69,469,000
Unpaid undelivered orders brought forward	−22,566,793	−54,435,213	−80,167,045
Unpaid undelivered orders carried forward	54,435,213	80,167,045	60,811,678
Total obligations	63,967,748	74,280,586	50,113,633

Refund of Repayments of Subsistence Allowances

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$10,129		
Unobligated balance no longer available	10,129		
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:
"Emergency supplies and equipment," Office of Civil and Defense Mobilization.
"National Cancer Institute," Public Health Service.
"Payments to school districts, "Office of Education, Department of Health, Education, and Welfare.
"Research, development, test, and evaluation, Army."

Administrative Provisions

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", 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 "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 [title VIII, Veterans' Benefits Act of 1957 (71 Stat. 117) (38 U. S. C., ch. 12A)] *section 902 of title 38, United States Code,*) 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 "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, 1959.*)

Public enterprise funds:

Canteen Service Revolving Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Sales program:			
Cost of goods sold	$23,679,949	$23,826,635	$23,891,913
Direct operating expense	7,997,444	8,470,079	8,481,034
Indirect operating expense	1,393,572	1,508,204	1,536,673
Net gain (−) or loss from sale of equipment	4,026	4,000	−2,000
Adjustment of prior year expense	105,842		
Total operating costs	33,180,833	33,808,918	33,907,620
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−541,929	−535,571	−526,767
Net gain or loss (−) from sale of equipment included above	−4,026	−4,000	2,000
Total operating costs, funded	32,634,878	33,269,347	33,382,853
Capital outlay: Sales program: Purchase of equipment [1]	426,795	668,966	519,301
Total program costs, funded	33,061,673	33,938,313	33,902,154
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−36,037	
Obligations incurred for costs of other years, net	279,877		
Total program (obligations)	33,341,550	33,902,276	33,902,154
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities	33,801,418	33,914,842	34,007,759
Other receipts	122,780	121,249	127,456
Total amounts becoming available	33,924,198	34,036,091	34,135,215
Unobligated balance brought forward	3,104,668	2,759,126	2,642,406
Total amounts available	37,028,866	36,795,217	36,777,621
Capital transfers:			
Repayment of investment to Treasury (−)	−385,386		
Payment of profits to Treasury (−)	−542,804	−250,535	−264,393
Unobligated balance carried forward	−2,759,126	−2,642,406	−2,611,074
Financing applied to program	33,341,550	33,902,276	33,902,154

[1] Excludes equipment transferred in without charge of $1,400 in 1958.

The Veterans Canteen Service was established by Congress in 1946 to furnish at reasonable prices merchandise and services necessary to the comfort and well-being of veterans in hospitals and domiciliaries operated by the Veterans Administration (38 U. S. C. 4201–08).

Budget program.—The volume of sales and service is expected to continue at about the same level through 1960. The slight increase in total operating costs is attributable primarily to the payment of higher salaries.

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

CANTEEN SERVICE REVOLVING FUND—Continued

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Commodities for sale	$3,488,969	$3,984,216	$3,759,906	$3,759,906
Unpaid undelivered orders	908,153	696,037	910,000	910,000
Materials and supplies	38,495	35,241	9,551	9,551
Total selected resources at end of year	4,435,617	4,715,494	4,679,457	4,679,457
Selected resources at start of year (−)		−4,435,617	−4,715,494	−4,679,457
Costs financed from obligations of other years, net (−)			−36,037	
Obligations incurred for costs of other years, net		279,877		

Financing.—Operations are financed from current revenues. An appropriation of $4,965,000 originally made to operate this Service has been repaid to the Treasury.

Operating results and financial condition.—Operating revenue is expected to continue to be sufficient to cover operating expenses. The decline in operating margin is due to higher costs without correspondingly increasing the price of merchandise sold. Funds in excess of service needs will continue to be paid into miscellaneous receipts of the Treasury.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$426,795	$668,966	$519,301
Expense:			
Purchase of commodities for sale	24,175,196	23,602,325	23,891,913
Other	8,849,087	9,442,712	9,490,940
Adjustment of prior year expense	105,842		
Total gross expenditures	33,556,920	33,714,003	33,902,154
Receipts from operations (funds provided):			
Sales program: Revenue	33,801,418	33,914,842	34,007,759
Undistributed receipts:			
Proceeds from sale of equipment	16,737	21,000	27,000
Miscellaneous revenue	106,043	100,249	100,456
Decrease in selected working capital	171,644	159,066	38,659
Total receipts from operations	34,095,842	34,195,157	34,173,874
Budget expenditures	−538,922	−481,154	−271,720

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$33,801,418	$33,914,842	$34,007,759
Expense	33,070,965	33,804,918	33,909,620
Net operating income, sales program	730,453	109,924	98,139
Nonoperating income or loss (−):			
Proceeds from sale of equipment	16,737	21,000	27,000
Net book value of assets sold (−)	−20,763	−25,000	−25,000
Net gain or loss (−) from sale of equipment	−4,026	−4,000	2,000
Miscellaneous revenue	106,043	100,249	100,456
Adjustment of prior year expense	−105,842		
Net nonoperating income or loss (−)	−3,825	96,249	102,456
Net income for the year	726,628	206,173	200,595
Analysis of retained earnings:			
Retained earnings, beginning of year	9,099,083	9,282,907	9,238,545
Payment of profits to Treasury (−)	−542,804	−250,535	−264,393
Retained earnings, end of year	9,282,907	9,238,545	9,174,747

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury, in banks, on hand, and in transit	$5,232,296	$5,462,915	$5,470,242
Accounts receivable	408,626	410,000	420,000
Commodities for sale	3,984,216	3,759,906	3,759,906
Materials and supplies	35,241	9,551	9,551
Equipment, net	2,167,075	2,275,470	2,243,004
Total assets	11,827,454	11,917,842	11,902,703
Liabilities:			
Current	2,185,759	2,320,509	2,369,168
Government investment:			
Non-interest-bearing capital:			
Start of year	742,774	358,788	358,788
Repayment of investment to Treasury (−)	−385,386		
Donated equipment	1,400		
End of year	358,788	358,788	358,788
Retained earnings	9,282,907	9,238,545	9,174,747
Total Government investment	9,641,695	9,597,333	9,533,535

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury, in banks, on hand, and in transit	$5,621,564	$5,232,296	$5,462,915	$5,470,242
Obligated balance, net:				
Current liabilities	2,014,951	2,185,759	2,320,509	2,369,168
Unpaid, undelivered orders	908,153	696,037	910,000	910,000
Accounts receivable, net (−)	−406,208	−408,626	−410,000	−420,000
Total obligated balance	2,516,896	2,473,170	2,820,509	2,859,168
Unobligated balance	3,104,668	2,759,126	2,642,406	2,611,074

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,340	2,373	2,373
Full-time equivalent of all other positions	220	220	220
Average number of all employees	2,550	2,583	2,584
Number of employees at end of year	2,760	2,800	2,815
Average GS grade and salary	7.2 $5,059	8.3 $5,697	8.3 $5,768
Average salary of ungraded positions	$2,689	$2,899	$2,905
01 Personal services:			
Permanent positions	$6,808,578	$7,432,312	$7,464,898
Positions other than permanent	533,252	550,000	555,000
Other personal services	207,510	128,156	132,950
Total personal services	7,549,340	8,110,468	8,152,848
02 Travel	91,483	99,500	99,500
05 Rents and utility services	445,913	435,728	435,728
06 Printing and reproduction	29,100	30,000	30,000
07 Other contractual services	204,997	210,285	214,081
08 Supplies and materials	24,544,839	23,831,995	24,147,273
09 Equipment	426,795	668,966	519,301
11 Grants, subsidies, and contributions	162,809	187,998	189,715
15 Taxes and assessments	98,390	113,373	113,708
Total accrued expenditures	33,553,666	33,688,313	33,902,154
Increase or decrease (−) in unpaid undelivered orders	−212,116	213,963	
Total obligations	33,341,550	33,902,276	33,902,154

DIRECT LOANS TO VETERANS AND RESERVES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital outlay:			
1. Direct loans to veterans	$200,509,542	$207,761,767	$212,000,000
2. Vendee loans made	529	1,776	1,000
3. Real property acquired	63,934	97,000	127,000
Total capital outlay	200,574,005	207,859,000	212,128,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Operations:			
4. Interest on borrowings	$16,709,194	$22,000,000	$27,000,000
5. Operating expense, general	939,279	275,000	320,000
6. Property management and selling expense	76,205	93,000	110,000
Total operations	17,724,678	22,368,000	27,430,000
Total program (obligations)	218,298,683	230,227,776	239,558,000
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	49,571,200	150,000,000	150,000,000
Revenue and receipts:			
Collection of loans to veterans	34,295,925	43,498,000	56,676,000
Collection of vendee loans	91,253	140,000	190,000
Sale of loans	1,517,774	5,000,000	5,000,000
Sale of properties	108,837	186,000	250,000
Interest on loans	26,656,019	35,270,000	43,830,000
Other revenue	22,625	30,000	30,000
Total amounts becoming available	112,263,633	234,124,000	255,976,000
Unobligated balance brought forward	203,478,257	97,443,207	101,339,431
Total amounts available	315,741,890	331,567,207	357,315,431
Unobligated balance carried forward	−97,443,207	−101,339,431	−117,757,431
Financing applied to program	218,298,683	230,227,776	239,558,000

Loans are made to veterans for the purchase, construction, or improvement of homes, including farm residences, in specified areas where guaranteed private mortgages cannot be secured (38 U. S. C., sec. 1811). The Emergency Housing Act of 1958, approved April 1, 1958, extended the program to July 25, 1960.

Budget program—1. *Direct loans to veterans.*—Commitments are estimated to continue increasing through 1960. Disbursements in 1959 and 1960 will bring the cumulative total of loans made to more than $1 billion by June 30, 1960. A summary of loan activity follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Number of loan commitments	24,742	24,060	24,551
Number of loans closed and fully disbursed	25,806	25,000	24,900
Amount of loan commitments	$200,509,542	$207,761,776	$212,000,000
Total amount of loans closed and fully disbursed	$209,138,260	$215,865,000	$215,000,000
Average amount of loan closed and fully disbursed	$8,104	$8,635	$8,635
Repayment of loans	$35,432,705	$44,948,000	$58,465,000
Sale of loans	$1,517,774	$5,000,000	$5,000,000
Losses on loans	$35,251	$50,000	$64,000
Net loan disbursements	$172,152,530	$165,867,000	$151,471,000
Loans outstanding end of year:			
Number	104,097	128,000	151,000
Amount	$692,245,679	$858,112,679	$1,009,583,679

Enactment of legislation anticipated in this budget (1) to permit an increase in the rate of interest on Veterans Administration guaranteed and direct loans, and (2) to extend the voluntary home mortgage credit program, would reduce the amount of loan disbursements by approximately $33 million in 1960. This would reduce the 1960 budget expenditures to an estimated $100 million.

2. *Vendee loans made.*—Resale of real property acquired through foreclosure normally involves a cash downpayment by the purchaser and the creation of a new mortgage to be held by the Veterans Administration. The noncash portions of these transactions are excluded from the program and financing schedule above and from the statement of sources and application of funds; but they are included in the following activity summary:

	1958 actual	*1959 estimate*	*1960 estimate*
Amount of properties sold	$888,401	$1,530,000	$1,950,000
Amount of vendee loans acquired	780,093	1,345,000	1,701,000
Amount of vendee loans repaid	115,894	140,000	190,000

3. *Real property acquired.*—Properties are acquired through foreclosure of defaulted loans. This involves primarily an exchange of noncash assets, with relatively small cash outlay. The noncash portions of these transactions are excluded from the program and financing schedule above and the statement of sources and application of funds; but they are included in the following activity summary:

	1958 actual	*1959 estimate*	*1960 estimate*
Amount of properties acquired	$1,225,354	$1,592,000	$1,982,000

4. *Interest on borrowings.*—These payments to the Treasury grow as the total notes held by the Treasury increases with new borrowing authorized by law.

5. *Operating expenses, general.*—These include a variety of miscellaneous expenses incident to the closing and servicing of loans. The total costs are expected to decline substantially in 1959, due to provisions of Public Law 85–364, approved April 1, 1958, which require the veteran borrower to pay loan closer's fees which were previously paid by the Veterans Administration.

6. *Property management and selling expenses.*—These costs of maintaining and selling properties acquired through foreclosure will continue to increase as the number of loans outstanding grows.

Financing.—Loans are made primarily with funds borrowed from the Treasury. Borrowing authority in the amount of $783 million has been authorized through June 30, 1958. An additional $150 million has been authorized for each of fiscal years 1959 and 1960, at a quarterly rate of $50 million less proceeds of loan sales in the preceding quarter. In addition, the proceeds of loan repayments and loan sales are available for making loans. Expenses incident to closing loans are paid by the veteran, foreclosure expenses are met from interest income, and administrative expenses are borne by the appropriation for general operating expenses, Veterans Administration.

Operating results and financial condition.—Interest revenue from loans outstanding exceeds interest expenses on borrowings from the Treasury, providing a growing annual net income, and increasing the retained earnings of the fund by $13 million in 1959 and $16 million in 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Direct loans to veterans	$209,138,260	$215,865,000	$215,000,000
Vendee loans	529	1,000	1,000
Real property	63,934	97,000	127,000
Expense	17,724,678	22,368,000	27,430,000
Total gross expenditures	226,927,401	238,331,000	242,558,000
Receipts from operations (funds provided):			
Repayment of direct loans to veterans	34,295,925	43,498,000	56,676,000
Repayment of vendee loans	91,253	140,000	190,000
Sale of loans	1,517,774	5,000,000	5,000,000
Sale of real property	108,837	186,000	250,000
Revenue	26,678,644	35,300,000	43,860,000
Decrease in selected working capital	5,325,623	10,266,251	3,597,702
Total receipts fsom operations	68,018,056	94,390,251	109,573,702
Budget expenditures	158,909,345	143,940,749	132,984,298

NOTE.—The above statement excludes the following exchanges of nonworking capital assets: The settlement of defaulted veterans' loans by acquisition of property (1958, $1,136,779; 1959, $1,450,000; 1960, $1,789,000); the settlement of vendee loans by acquisition of real property (1958, $24,641; 1959, $45,000; 1960, $66,000); the acquisition of vendee loans in exchange for real property (1958, $779,564; 1959, $1,344,000; 1960, $1,700,000).

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$26,678,644	$35,300,000	$43,860,000
Expense	17,760,047	22,418,000	27,494,000
Net operating income	8,918,597	12,882,000	16,366,000

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

DIRECT LOANS TO VETERANS AND RESERVES—Continued

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Nonoperating income:			
Proceeds from sales of properties:			
Cash proceeds	$108,837	$186,000	$250,000
Other	779,564	1,344,000	1,700,000
Net book value of properties sold (−)	−869,176	−1,500,000	−1,900,000
Net gain from sale of properties	19,225	30,000	50,000
Net income for the year	8,937,822	12,912,000	16,416,000
Retained earnings, beginning of year	29,470,476	38,408,298	51,320,298
Retained earnings, end of year	38,408,298	51,320,298	67,736,298

Financial Condition

Assets:			
Cash with Treasury	$143,522,478	$149,581,729	$166,597,431
Accounts receivable	747,055	950,000	1,160,000
Loans receivable:			
Direct loans to veterans	692,245,679	858,112,679	1,009,583,679
Vendee loans	1,899,015	3,059,015	4,504,015
Real property owned	618,548	687,169	749,169
Real property in process of acquisition	176,621	200,000	220,000
Total assets	839,209,396	1,012,590,592	1,182,814,294
Liabilities:			
Current	20,723,102	31,192,298	35,000,000
Government investment:			
Interest-bearing capital:			
Start of year, net	730,506,796	780,077,996	930,077,996
Borrowings from Treasury during year, net	49,571,200	150,000,000	150,000,000
End of year	780,077,996	930,077,996	1,080,077,996
Retained earnings	38,408,298	51,320,298	67,736,298
Total Government investment	818,486,294	981,398,294	1,147,814,294

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$252,860,623	$143,522,478	$149,581,729	$166,597,431
Obligated balance, net:				
Current liabilities	15,191,219	20,723,102	31,192,298	35,000,000
Undisbursed loan obligations	34,731,942	26,103,224	18,000,000	15,000,000
Accounts receivable, net (−)	−540,795	−747,055	−950,000	−1,160,000
Total obligated balance	49,382,366	46,079,271	48,242,298	48,840,000
Unobligated balance	203,478,257	97,443,207	101,339,431	117,757,431

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$1,015,484	$368,000	$430,000
14	Interest	16,709,194	22,000,000	27,000,000
16	Investments and loans	200,574,005	207,859,776	212,128,000
	Total obligations	218,298,683	230,227,776	239,558,000

RENTAL, MAINTENANCE, AND REPAIR OF QUARTERS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maintenance and repair of quarters (total program costs)	$76,559	$87,578	$84,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−1,155	−1,178	
Total program (obligations)	75,404	86,400	84,000
Financing:			
Amounts becoming available: Revenue from rents	$76,976	$86,400	$84,000
Unobligated balance brought forward	2,165	3,717	3,617
Total amounts available	79,141	90,117	87,617
Capital transfer (payment of profits to Treasury) (−)	−20	−100	−100
Unobligated balance carried forward	−3,717	−3,617	−3,517
Financing applied to program	75,404	86,400	84,000

1. Maintenance and repair of quarters.—Rentals received for 133 housekeeping units leased to Federal employees at Perry Point, Md., and 8 housekeeping units at Cleveland, Ohio, temporarily leased to other than Federal employees are used to defray operating expense including repair and maintenance. (38 U. S. C. 5012.)

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of unpaid undelivered orders as follows: 1957, $2,333; and 1958, $1,178.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$76,559	$87,578	$84,000
Increase in selected working capital	1,814	148	300
Total gross expenditures	78,373	87,726	84,300
Receipts from operations (funds provided):			
Revenue	76,976	86,400	84,000
Budget expenditures	1,397	1,326	300

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Rental program:			
Revenue	$76,976	$86,400	$84,000
Expense	76,559	87,578	84,000
Net operating income or loss (−)	417	−1,178	
Analysis of retained earnings:			
Retained earnings, beginning of year	4,498	4,895	3,617
Payment of profits to Treasury (−)	−20	−100	−100
Retained earnings, end of year	4,895	3,617	3,517

Financial Condition

Assets:			
Cash with Treasury	$4,843	$3,417	$3,017
Accounts receivable, net	4,191	3,200	3,500
Total assets	9,034	6,617	6,517
Liabilities:			
Current	4,139	3,000	3,000
Government investment:			
Retained earnings	4,895	3,617	3,517

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$6,260	$4,843	$3,417	$3,017
Obligated balance, net:				
Current liabilities	4,918	4,139	3,000	3,000
Unpaid undelivered orders	2,333	1,178		
Accounts receivable, net (−)	−3,156	−4,191	−3,200	−3,500
Total obligated balance	4,095	1,126	−200	−500
Unobligated balance	2,165	3,717	3,617	3,517

Object Classification

		1958 actual	1959 estimate	1960 estimate
05	Rents and utility services	$6,720	$7,000	$7,000
07	Other contractual services	43,080	51,400	49,000
08	Supplies and materials	25,604	28,000	28,000
	Total obligations	75,404	86,400	84,000

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Service-Disabled Veterans Insurance Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Death claims paid	$2,601,210	$3,350,789	$4,235,122
2. Premiums waived and lien writeoff	862,677	1,030,000	1,210,000
3. Cash surrenders paid	49,579	75,000	110,000
4. Increase in operating reserve	2,002,753	2,767,898	3,405,421
Total operating costs	5,516,219	7,223,687	8,960,543
Unfunded adjustments to total operating costs:			
Increase (−) in operating reserves	−2,002,753	−2,767,898	−3,405,421
Premiums waived and lien write-off (−)	−862,677	−1,030,000	−1,210,000
Total operating costs, funded	2,650,789	3,425,789	4,345,122
Capital outlay:			
5. Policy loans and liens made	316,065	500,000	675,000
Total program (costs—obligations)	2,966,854	3,925,789	5,020,122
Financing:			
Amounts becoming available:			
Appropriation	1,500,000		
Revenue and receipts:			
Loans and liens repaid	139,347	220,000	300,000
Payment from "Veterans' insurance and indemnities"			300,000
Premiums earned	2,160,188	2,677,156	3,246,543
Interest on investments	10,436	16,000	28,000
Total amounts becoming available	3,809,971	2,913,156	3,874,543
Unobligated balance brought forward	885,814	1,728,931	716,298
Total amounts available	4,695,785	4,642,087	4,590,841
Unobligated balance carried forward	−1,728,931	−716,298	429,281
Financing applied to program	2,966,854	3,925,789	5,020,122

This fund finances the payment of claims on nonparticipating insurance policies issued to veterans with a service-connected disability which makes them ineligible for commercial insurance (38 U. S. C. sec. 722). Administrative expenses are paid from the appropriation, General operating expenses.

Budget program—1. *Death claims paid.*—Payments to surviving beneficiaries continue to increase as new deaths occur among the increasing number of policyholders.

2. *Premiums waived and lien writeoff.*—Premium payments are waived for policyholders who are totally disabled for 6 months or more. This is a cost to the fund which increases with the number of policies in force.

3. *Cash surrenders paid.*—A policyholder may terminate his insurance by cashing in his policy for its cash value. This activity continues to increase as the number of policies increases.

5. *Policy loans and liens made.*—A policyholder may borrow up to 94% of the cash value of his policy. This activity increases with the number of policyholders.

The general increase in the activity of this fund is indicated in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Number of policies	26,781	33,791	37,000	44,000
Insurance in force	$234,406,000	$296,977,000	$325,080,000	$386,496,000

Financing.—Operations are financed from premiums and other receipts. Beginning in 1960, necessary additional funds will be derived from payments from the appropriation Veterans insurance and indemnities, instead of direct appropriations to this fund. It is estimated that the payment will be $300,000 in 1960.

Operating results and financial condition.—Because premium and other receipts continue to be insufficient to cover operations, the deficit is expected to continue increasing through 1960, with capital impairment reaching an estimated $13,420,688 by June 30, 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans and liens	$316,065	$500,000	$675,000
Expense	2,650,789	3,425,789	4,345,122
Total gross expenditures	2,966,854	3,925,789	5,020,122
Receipts from operations (funds provided):			
Loans and liens repaid	139,347	220,000	300,000
Payment from "Veterans insurance and indemnities"			300,000
Revenue	2,170,624	2,693,156	3,274,543
Decrease in selected working capital	59,795	67,290	68,034
Total receipts from operations	2,369,766	2,980,446	3,942,577
Budget expenditures	597,088	945,343	1,077,545

Revenue, Expense, and Retained Earnings

Revenue:			
Funded	$2,170,624	$2,693,156	$3,274,543
Nonfunded (premiums waived)	862,676	1,030,000	1,210,000
Total revenue	3,033,300	3,723,156	4,484,543
Expense:			
Funded	2,650,789	3,425,789	4,345,122
Nonfunded:			
Writeoff of liens	1		
Premiums waived	862,676	1,030,000	1,210,000
Increase in operating reserves	2,002,753	2,767,898	3,405,421
Total expense	5,516,219	7,223,687	8,960,543
Net loss (−) for the year	−2,482,919	−3,500,531	−4,476,000
Deficit (−), beginning of year	−7,761,238	−10,244,157	−13,744,688
Deficit (−), end of year	−10,244,157	−13,744,688	−18,220,688

Financial Condition

Assets:			
Cash with Treasury	$2,022,888	$1,077,545	
Accounts receivable	12,816	15,977	$23,177
Policy loans	336,913	616,806	991,806
Policy liens	2,893	3,000	3,000
Total assets	2,375,510	1,713,328	1,017,983
Liabilities:			
Current	306,773	377,224	452,458
Operating reserves:			
Reserve for cash surrender value	5,740,369	8,009,888	10,798,528
Reserve for future installments on matured contracts	1,428,767	1,693,034	1,994,434
Policy claims currently outstanding	643,758	877,870	1,193,251
Total liabilities	8,119,667	10,958,016	14,438,671
Government investment:			
Non-interest-bearing capital:			
Start of year	3,000,000	4,500,000	4,500,000
Payment from "Veterans insurance and indemnities"			300,000
Appropriation	1,500,000		
End of year	4,500,000	4,500,000	4,800,000
Deficit (−)	−10,244,157	−13,744,688	−18,220,688
Total Government investment	−5,744,157	−9,244,688	−13,420,688

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash and U. S. securities	$1,119,976	$2,022,888	$1,077,545	
Obligated balance, net:				
Current liabilities	272,327	306,773	377,224	$452,458
Accounts receivable, net (−)	−38,165	−12,816	−15,977	−23,177
Total obligated balance	234,162	293,957	361,247	429,281
Unobligated balance	885,814	1,728,931	716,298	−429,281

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

SERVICE-DISABLED VETERANS INSURANCE FUND—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$2,650,789	$3,425,789	$4,345,122
16 Investments and loans (policy loans)	316,065	500,000	675,000
Total obligations	2,966,854	3,925,789	5,020,122

[SOLDIERS' AND SAILORS' CIVIL RELIEF]

[For an additional amount for "Soldiers' and sailors' civil relief", $1,300,000 to remain available until expended.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$1,300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Insurance program:			
(*a*) Claims paid on guaranteed premiums of servicemen's commercial life insurance policies	$22,329	$18,750	$18,750
(*b*) Refund claims paid to former servicemen for payments made to the Government		1,200,000	430,000
Total program costs	22,329	1,218,750	448,750
Unfunded adjustment to total program costs: Writeoff of loans receivable	−17		
Total program (costs—obligations)	22,312	1,218,750	448,750
Financing:			
Amounts becoming available: Revenue and receipts:			
Appropriation		1,300,000	
Collection of claims receivable	4,646	5,000	5,000
Revenue	3,217	4,000	3,000
Total amounts becoming available	7,863	1,309,000	8,000
Unobligated balance brought forward	446,526	432,077	522,327
Total amounts available	454,389	1,741,077	530,327
Unobligated balance carried forward	−432,077	−522,327	−81,577
Financing applied to program	22,312	1,218,750	448,750

The fund finances claims arising from the guaranty of premiums due on commercial life insurance policies held by servicemen while they are in service and for 2 years after discharge (72 Stat. 487). The Government guarantees the repayment of any indebtedness not liquidated by the insured himself. Any payment by the Government on cases approved subsequent to October 6, 1942, creates a debt owed the Government by the insured. The Supreme Court has ruled that, in cases approved prior to October 6, 1942, the insured individuals may make claims for refunds of any payments made to the Government because of alleged indebtedness.

Budget program—Insurance program.—(*a*) Claims paid on guaranteed premiums are made to commercial insurance companies in cases where the servicemen failed to make premium payments which were guaranteed by the Government; (*b*) refund claims paid to former servicemen for payments made to the Government are one-time payments to a limited group of claimants which are expected to be completed in 1960.

The activity of the fund is indicated in the following table:

	1958 actual	*1959 estimate*	*1960 estimate*
Number of settlements	74	75	75
Number of refunds	-------	6,150	2,200
Average cost per settlement	$301.15	$250.00	$250.00
Average cost per refund	-------	$195.00	$195.00

Financing.—Payment of claims against this fund are financed from collection of claims receivable, revenue, and appropriations as needed.

Operating results and financial condition.—The payment of refund claims in 1959 and 1960 will create expenses substantially in excess of the small and relatively stable revenue of the fund, thereby increasing the deficit by $1.2 million in 1959 and $0.4 million in 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Claims paid	$22,312	$18,750	$18,750
Expense		1,200,000	430,000
Increase in selected working capital	567		
Total gross expenditures	22,879	1,218,750	448,750
Receipts from operations (funds provided):			
Claims repaid	4,646	5,000	5,000
Revenue	3,217	4,000	3,000
Decrease in selected working capital		442	
Total receipts from operations	7,863	9,442	8,000
Budget expenditures	15,016	1,209,308	440,750

Revenue, Expense, and Retained Earnings

Revenue	$3,217	$4,060	$3,000
Expense	17	1,200,000	430,000
Net income or loss (−) for the year	3,200	−1,196,000	−427,000
Deficit (−), beginning of year	−214,153	−210,953	−1,406,953
Deficit (−), end of year	−210,953	−1,406,953	−1,833,953

Financial Condition

Assets:			
Cash with Treasury	$431,635	$522,327	$81,577
Accounts receivable	442		
Claims receivable	59,970	73,720	87,470
Total assets	492,047	596,047	169,047
Government investment:			
Non-interest-bearing capital:			
Start of year	703,000	703,000	2,003,000
Appropriation during year		1,300,000	
End of year	703,000	2,003,000	2,003,000
Deficit (−)	−210,953	−1,406,953	−1,833,953
Total Government investment	492,047	596,047	169,047

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$446,651	$431,635	$522,327	$81,577
Obligated balance, net:				
Current liabilities	125			
Accounts receivable		−442		
Total obligated balance	125	−442		
Unobligated balance	446,526	432,077	522,327	81,577

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$22,312	$18,750	$18,750
13 Refunds, awards, and indemnities		1,200,000	430,000
Total obligations	22,312	1,218,750	448,750

VETERANS SPECIAL TERM INSURANCE FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Death claims paid	$5,766,100	$6,000,000	$5,970,000
2. Disability claims paid			100,000
3. Premiums waived and lien writeoff	36,670	150,000	250,000
4. Writeoff of accounts receivable	20,000	10,000	10,000
5. Increase in operating reserve	398,204	5,131,549	8,081,000
Total operating costs	6,220,974	11,291,549	14,411,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Operating costs—Continued			
Unfunded adjustments to total operating costs:			
Decrease (−) in operating reserves	−$398,204	−$5,131,549	−$8,081,000
Premiums waived and lien writeoff	−36,670	−150,000	−250,000
Total operating costs, funded	5,786,100	6,010,000	6,080,000
Capital outlay:			
6. Policy loans and liens made	2,635		50,000
Total program (costs—obligations)	5,788,735	6,010,000	6,130,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Liens repaid	1,395	2,497	
Premiums earned	18,742,653	16,934,891	12,750,000
Interest on investments	1,086,033	1,350,000	1,411,000
Total amounts becoming available	19,830,081	18,287,388	14,161,000
Unobligated balance brought forward (U. S. securities)	29,437,832	43,479,178	55,756,566
Total amounts available	49,267,913	61,766,566	69,917,566
Unobligated balance carried forward (U. S. securities)	−43,479,178	−55,756,566	−63,787,566
Financing applied to program	5,788,735	6,010,000	6,130,000

The fund finances the payment of claims on nonparticipating insurance policies issued before January 1, 1957, to veterans who served in the Armed Forces subsequent to April 1951 (38 U. S. C., section 723). Under Public Law 85–896, policyholders have the right to convert to a permanent plan of insurance or to a new form of term insurance which may not be renewed beyond age 50 but which costs less than the present term insurance. Those who convert to a permanent plan will also acquire the right to purchase total disability income coverage with an additional premium.

Budget program—1. *Death claims paid.*—Payments to surviving beneficiaries continue to increase as new deaths occur among policyholders.

2. *Disability claims paid.*—Payments to individuals who have purchased total disability coverage and who subsequently become totally disabled are expected to begin in 1960.

3. *Premiums waived and lien writeoff.*—Premium payments are waived for policyholders who are totally disabled for 6 months or more. This is a cost to the fund which increases with the number of policies under premium waiver.

6. *Policy loans and liens made.*—The policyholders who convert their insurance from term to permanent plan will subsequently be entitled to borrow up to 94% of the cash value of the new policy. Disbursement of such loans from this fund is expected to begin in 1960.

The general decrease in the activity of this fund is indicated in the following table:

[Dollars in millions]

	June 30, 1957	*June 30, 1958*	*June 30, 1959*	*June 30, 1960*
Number of policies	727,166	686,628	670,000	643,000
Insurance in force	$6,646	$6,267	$6,114	$5,868

Financing.—Payments from this fund are financed primarily from premium receipts and interest on investments, which are decreasing as the number of policyholders declines.

Operating results and financial condition.—Favorable mortality experience on insurance written against this fund has kept death claims payments well below the amount of premium and interest receipts, thereby producing an annual increase in the retained earnings of the fund. However, the declining premium receipts are expected to equal the increasing claims and other payments in 1960, and no change is anticipated in the retained earnings during that year.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of liens and loans	$2,635		$50,000
Expense	5,786,100	$6,010,000	6,080,000
Increase in selected working capital	304,474	1,126,298	1,001,000
Total gross expenditures	6,093,209	7,136,298	7,131,000
Receipts from operations (funds provided):			
Liens repaid	1,395	2,497	
Revenue	19,828,686	18,284,891	14,161,000
Total receipts from operations	19,830,081	18,287,388	14,161,000
Budget expenditure	−13,736,872	−11,151,090	−7,030,000

Revenue, Expense, and Retained Earnings

Revenue:			
Funded	$19,828,686	$18,284,891	$14,161,000
Nonfunded (premiums waived)	36,498	150,000	250,000
Total revenue	19,865,184	18,434,891	14,411,000
Expense:			
Funded	5,786,100	6,010,000	6,080,000
Nonfunded:			
Writeoff of liens	172		
Premiums waived	36,498	150,000	250,000
Increase in operating reserves	398,204	5,131,549	8,081,000
Total expense	6,220,974	11,291,549	14,411,000
Net income for the year	13,644,210	7,143,342	
Retained earnings, beginning of year	22,212,448	35,856,658	43,000,000
Retained earnings, end of year	35,856,658	43,000,000	43,000,000

Financial Condition

Assets:			
Cash with Treasury	$538,476	$456,566	$486,566
U. S. securities (par)	48,267,000	59,500,000	66,500,000
Accounts receivable, net			1,000
Policy loans			50,000
Policy liens	2,497		
Total assets	48,807,973	59,956,566	67,037,566
Liabilities:			
Current liabilities	5,326,298	4,200,000	3,200,000
Operating reserves:			
Policy reserves	1,855,140	4,656,566	11,112,566
Premium waiver disability reserves	1,020,888	1,100,000	1,100,000
Disability revenue reserves		50,000	125,000
Reserves for future installment on matured contracts	3,248,989	5,050,000	6,200,000
Policy claims currently outstanding	1,500,000	1,900,000	2,300,000
Total liabilities	12,951,315	16,956,566	24,037,566
Government investment:			
Retained earnings	35,856,658	43,000,000	43,000,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash and U. S. securities	$35,068,604	$48,805,476	$59,956,566	$66,986,566
Obligated balance net:				
Current liabilities	5,646,338	5,326,298	4,200,000	3,200,000
Accounts receivable, net (−)	−15,566			−1,000
Total obligated balance	5,630,772	5,326,298	4,200,000	3,199,000
Unobligated balance	29,437,832	43,479,178	55,756,566	63,787,566

Object Classification

		1958 actual	1959 estimate	1960 estimate
12	Pensions, annuities, and insurance claims	$5,786,100	$6,010,000	$6,080,000
16	Investments and loans	2,635		50,000
	Total obligations	5,788,735	6,010,000	6,130,000

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

Vocational Rehabilitation Revolving Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Writeoff of loans	$662		
Provision for losses on loans included above (−)	−662		
Capital outlay: Loans to veterans	336,237	$300,000	$300,000
Total program (costs—obligations)	336,237	300,000	300,000
Financing:			
Amounts becoming available: Loans repaid	335,953	300,000	300,000
Unobligated balance brought forward	317,148	316,864	316,864
Total amounts available	653,101	616,864	616,864
Unobligated balance carried forward	−316,864	−316,864	−316,864
Financing applied to program	336,237	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 are borne by the appropriation General operating expenses.

WORKLOAD, AMOUNTS LOANED AND REPAID

	1958 actual	*1959 estimate*	*1960 estimate*
Number of loans made	3,363	3,000	3,000
Average per loan	$100	$100	$100
Number of loans outstanding	1,745	1,745	1,745
Average amount per loan outstanding	$50	$50	$50
Total amount of loans made	$336,237	$300,000	$300,000
Repayment of loans	$335,953	$300,000	$300,000

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$336,237	$300,000	$300,000
Increase in selected working capital		93	
Total gross expenditures	336,237	300,093	300,000
Receipts from operations (funds provided):			
Loans repaid	335,953	300,000	300,000
Decrease in selected working capital	93		
Total receipts from operations	336,046	300,000	300,000
Budget expenditures	191	93	

Revenue, Expense, and Retained Earnings

Expense: Writeoff of loans (net loss (−) for the year)	−$662		
Retained earnings, beginning of year	4,768	$4,106	$4,106
Retained earnings, end of year	4,106	4,106	4,106

Financial Condition

Assets:			
Cash with Treasury	$316,957	$316,864	$316,864
Loans receivable, net	87,242	87,242	87,242
Total assets	404,199	404,106	404,106
Liabilities:			
Current	93		
Government investment:			
Non-interest-bearing capital: Start of year (end of year)	400,000	400,000	400,000
Retained earnings	4,106	4,106	4,106
Total Government investment	404,106	404,106	404,106

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$317,148	$316,957	$316,864	$316,864
Obligated balance, net: Current liabilities		93		
Unobligated balance	317,148	316,864	316,864	316,864

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$336,237	$300,000	$300,000

Intragovernmental funds:

Supply Fund

This supply fund finances the procurement and distribution of supplies and equipment throughout the Veterans Administration (38 U. S. C. 5011).

Budget program—Procurement and services program.—The procurement and services program includes the procurement and warehousing of supplies and equipment, the operation of service and reclamation shops at each of the three supply depots which are located at Somerville, N. J., Hines, Ill., and Wilmington, Calif., a centralized book and periodical procurement activity at Somerville, N. J., and a motion picture inspection and shipping activity which distributes films to Veterans' Administration hospitals and homes. Expenditures in 1960 for the procurement and services program are estimated to be $131,607,850, but will be offset by estimated revenue of $132,575,000.

Publication and reproduction program.—This program provides printing service to Veterans Administration installations on a centralized basis. Printed matter is acquired in accordance with the rules of the Joint Committee on Printing and Binding from the Government Printing Office, the General Services Administration, two Veterans Administration-operated plants in Washington, D. C., and St. Louis, Mo., and from commercial sources. Expenditures and revenue in 1960 are estimated to be $3,093,582 and $3,109,854, respectively.

Financing.—Consuming appropriations reimburse the fund for the cost of goods and services provided, including related expense such as transportation, inspection, and testing but excluding personal services and other costs incidental to the operation and administration of supply activities, which are charged directly to applicable appropriations and are not operating expense of the supply fund.

Operating results.—The fund operated at a net profit of $36,151 in 1958 on a total sales volume of $136 million and is expected to break even in 1959 and 1960 on a slightly higher sales volume. After making allowance for the net deficit of $2,909 at the beginning of 1958, the remaining earnings of $33,342 will be returned to the Treasury in 1959.

The variation in net budget expenditures and working capital between 1958 and 1959 and between 1959 and 1960 is due to an advance of $14,500,000 from various Veterans Administration appropriations to the supply fund in 1958 to carry out the accelerated procurement program authorized by Public Law 85-386.

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Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Procurement and services program:			
Acquisition of equipment	$3,958	$9,400	$3,900
Expense:			
Purchase of commodities for manufacture or sale	133,292,104	129,062,200	129,679,450
Other expense	1,944,624	1,937,360	1,924,500
Publication and reproduction program:			
Acquisition of equipment	894	53,477	26,000
Expense:			
Purchase of commodities for manufacture	1,426,002	1,881,868	1,774,472
Other expense	1,414,106	1,320,461	1,293,110
Donated working capital absorbed	8,723		
Increase in selected working capital		15,921,875	
Total gross expenditures	138,090,411	150,186,641	134,701,432
Receipts from operations (funds provided):			
Procurement and services program: Revenue	132,988,461	132,600,000	132,575,000
Publications and reproduction program: Revenue	2,974,982	3,159,002	3,109,854
Decrease in selected working capital	16,743,402		
Total receipts from operations	152,706,845	135,759,002	135,684,854
Budget expenditures	−14,616,434	14,427,639	−983,422

Revenue, Expense, and Retained Earnings

Procurement and services program:			
Revenue	$132,988,461	$132,600,000	$132,575,000
Expense	132,910,361	132,600,000	132,575,000
Net operating income, procurement and services program	78,100		
Publications and reproduction program:			
Revenue	2,974,982	3,159,002	3,109,854
Expense	3,012,585	3,159,002	3,109,854
Net operating loss (−), publications and reproduction program	−37,603		
Nonoperating loss (−) (net loss from sale of equipment)	−4,346		
Net income for the year	36,151		
Analysis of retained earnings:			
Retained earnings or deficit (−), beginning of year	−2,909	33,242	
Capital transfer (payment of earnings to Treasury) (−)		−33,242	
Retained earnings, end of year	33,242		

Financial Condition

Assets:			
Cash with Treasury	$23,262,279	$8,801,398	$9,784,820
Accounts receivable, net	6,631,299	7,200,000	7,200,000
Advances	500,000	500,000	500,000
Commodities for sale	32,329,879	30,805,604	29,826,182
Prepaid expense	22,341	20,000	20,000
Operating equipment, net	230,869	260,908	256,908
Total assets	62,976,667	47,587,910	47,587,910
Liabilities:			
Current	23,255,515	7,900,000	7,900,000
Government investment:			
Non-interest-bearing capital:			
Start of year	38,367,421	39,687,910	39,687,910
Donated equipment, net	1,113,457		
Donated working capital, net	207,032		
End of year	39,687,910	39,687,910	39,687,910
Retained earnings	33,242		
Total Government investment	39,721,152	39,687,910	39,687,910

NOTE.—Unpaid undelivered orders are as follows: 1957, $12,129,344; 1958, $14,301,445; 1959, $11,500,000; 1960, $11,500,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	320	280	266
Average number of all employees	296	265	260
Number of employees at end of year	275	263	260
Average GS grade and salary	5.3 $4,456	5.5 $4,995	5.5 $5,033
Average salary of ungraded positions	$4,931	$5,155	$5,147
01 Personal services:			
Permanent positions	$1,419,116	$1,351,741	$1,316,176
Other personal services	12,928	12,848	17,897
Total personal services	1,432,044	1,364,589	1,334,073
02 Travel	$13,623	$18,121	$15,621
03 Transportation of things	1,450,917	1,481,952	1,475,900
04 Communication services	12,979	19,496	19,250
05 Rents and utility services	14,617	15,412	15,400
06 Printing and reproduction	1,444,508	1,600,008	1,604,224
07 Other contractual services	48,363	51,220	43,887
08 Supplies and materials	121,586,749	117,473,054	118,381,700
09 Equipment:			
For use of fund	4,852	62,877	29,900
For sale to others	11,985,591	12,089,453	11,695,008
11 Grants, subsidies, and contributions	86,755	88,113	86,369
13 Refunds, awards, and indemnities	225		
15 Taxes and assessments	465	471	100
Total accrued expenditures	138,081,688	134,264,766	134,701,432
Increase or decrease (−) in unpaid undelivered orders and advances	2,178,750	−2,803,786	
Total obligations	140,260,438	131,460,980	134,701,432

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General operating expenses	$203,627	$166,000	$166,000
2. Medical administration and miscellaneous operating expenses	3,371	500	500
3. Outpatient care	289,784	115,000	115,000
4. Maintenance and operation of supply depots	147,338	150,000	150,000
5. Hospital and domiciliary facilities	429		
Total program (costs—obligations)	644,549	431,500	431,500
Financing:			
Advances and reimbursements from—			
Other accounts	546,368	381,500	381,500
Non-Federal sources (40 U. S. C. 481 (c))	98,181	50,000	50,000
Total financing	644,549	431,500	431,500

Object Classification

Total number of permanent positions	55	43	43
Average number of all employees	55	43	43
Number of employees at end of year	55	43	43
Average GS grade and salary	6.5 $5,079	6.2 $5,430	6.2 $5,430
01 Personal services:			
Permanent positions	$288,870	$230,705	$229,815
Other personal services	1,111	890	1,780
Total personal services	289,981	231,595	231,595
03 Transportation of things	125		
04 Communication services	18,481	18,625	18,625
05 Rents and utility services	20,600	13,500	13,500
07 Other contractual services	68,710	730	730
08 Supplies and materials	226,644	151,550	151,550
09 Equipment	779	500	500
10 Lands and structures	429		
11 Grants, subsidies, and contributions	18,800	15,000	15,000
Total obligations	644,549	431,500	431,500

Proposed for later transmission:

GENERAL OPERATING EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Insurance operations		$860,000	
2. Loan guaranty operations			$5,000,000
Total program (costs—obligations)		860,000	5,000,000
Financing:			
Proposed supplemental appropriation		860,000	5,000,000

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to cover the cost of added insurance operations resulting from legislation enacted subsequent to the submission of the previous estimates (Public Laws 85–678, 85–857, and 85–896).

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VETERANS ADMINISTRATION—Continued

Proposed for later transmission—Continued

GENERAL OPERATING EXPENSES—Continued

Under proposed legislation, 1960.—A supplemental appropriation for 1960 is anticipated to cover the cost of increased loan guaranty operations, resulting from legislation proposed in this budget to provide for a competitive interest rate on guaranteed loans.

INPATIENT CARE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maintenance and operation of hospitals:			
(*a*) Neuropsychiatric hospitals		$786,000	
(*b*) Tuberculosis hospitals		403,000	
(*c*) General medical hospitals		3,122,000	
2. Maintenance and operation of Veterans Administration domiciliary homes		79,000	
Total program (costs—obligations)		4,390,000	
Financing:			
Proposed supplemental appropriation		4,390,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to cover the cost of salary increases approved for wage board employees and increased cost of contract burials.

OUTPATIENT CARE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Care of patients:			
(*a*) Medical		$1,936,800	
(*b*) Dental		6,000	
(*c*) Beneficiary travel		411,000	
2. Other		25,200	
Total program (costs—obligations)		2,379,000	
Financing:			
Proposed supplemental appropriation		2,379,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to cover an increased medical workload so that essential medical services to service-connected veteran patients can be maintained; service to Philippine beneficiaries under Public Law 85–461; and increased contract burial allowance under Public Law 85–674.

MAINTENANCE AND OPERATION OF SUPPLY DEPOTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Storage operations		$36,000	
2. Utility operations		11,000	
Total program (costs—obligations)		47,000	
Financing:			
Proposed supplemental appropriation		47,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Compensation, living veterans, World War II (total costs—obligations)		$52,500,000	
Financing:			
Proposed supplemental appropriation		52,500,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to cover uncontrollable statutory benefit costs of the compensation and pensions program, including approximately $25 million attributable to recent legislation increasing rates and extending entitlement in certain categories.

DIRECT LOANS TO VETERANS AND RESERVES

Under proposed legislation, 1960.—Legislation will be proposed to increase the rate of interest on loans and to extend the voluntary home mortgage credit program, thereby reducing loan disbursements in 1960 by an estimated $33 million.

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] *105.* 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] *106.* 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] *107.* None of the sections under the head "Independent Offices—General Provisions" in this title shall apply to the Housing and Home Finance Agency. (*Independent Offices Appropriations Act, 1959.*)

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CORPORATIONS—GENERAL PROVISION

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. (*Independent Offices Appropriations Act, 1959.*)

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 Appropriations Act, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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)				
ATOMIC ENERGY COMMISSION								
Operating expenses							$478,324	To provide necessary transportation of Atomic Energy Commission and contractor personnel on official business by authorized operators within and between projects and areas.
Automobile	335	$553,834	319	$63,800	$490,034	1,191		To provide transportation to and from official meetings. Also used for delivery of classified mail in Washington area. To provide necessary transportation of Atomic Energy Commission and contractor personnel on official business by authorized operators within and between project sites and areas.
Station wagon	20	42,475	20	3,600	38,875	101		Do.
Ambulance	3	15,800	2	600	15,200	52		Do.
Bus	38	528,360	25	8,500	519,860	404		Do.
Total, Atomic Energy Commission	396	1,140,469	366	76,500	1,063,969	1,748	478,324	
CIVIL AERONAUTICS BOARD								
Salaries and expenses						1	9,000	These vehicles are used in investigating aircraft accidents in the field. Motor pool vehicles are used for official business in the Washington area.
CIVIL SERVICE COMMISSION								
Salaries and expenses						1	3,600	Commissioners, executive director, and other staff officers: Transportation to and from official meetings in Washington, D.C. Performance of official duties in the field.
Station wagon							400	Do.
Investigations, revolving fund							5,000	Investigators: Performance of official duties in the field.
Total, Civil Service Commission						1	9,000	
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	Used in transporting officials and employees to and from the Capitol and Government departments and offices in the transaction of official business. Messengers: Delivery of special or classified mail in the Washington area.
FEDERAL AVIATION AGENCY								
Expenses	1	3,500			3,500	107	412,000	Administrator and other Agency officials for transportation to and from official meetings in the Washington area; 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. 4 cars and 7 station wagons are operated out of Washington for use of technical personnel for inspections at manufacturing plants and Federal Aviation Agency field facilities. General Services Administration has exempted these latter vehicles from the Washington motor pool operation on the basis of special use requirements.
Station wagon						16		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 of public airports, State of Alaska.						2		Staff personnel for transportation from Anchorage and Fairbanks Public Airports to attend official meetings with other Government officials and for inspections of airport facilities.
Research and development						6	5,000	National Aviation Facilities Experimental Center, director and division chiefs: Transportation to and from official meetings in the test center and surrounding areas.
Ambulance	2	14,000			14,000	4		Used for emergency purposes at the National Aviation Facilities Experimental Center.
Total, Federal Aviation Agency	4	19,000	1	150	18,850	138	417,000	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960—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 COMMUNICATIONS COMMISSION								
Salaries and expenses	3	$4,200	3	$300	$3,900	20	$45,965	Field engineers: Transportation of electronic equipment and personnel for inspection, investigation, examination and engineering measurements. Most of the vehicles have been extensively modified and contain numerous items of permanently installed electronic equipment.
Station wagon						13	715	Do.
Total, Federal Communications Commission.	3	4,200	3	300	3,900	33	46,680	
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							10,600	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							800	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 U. S. Government officials.
							4,000	Use of GSA motor pool facilities throughout United States by attorney investigators in conducting official investigations.
Total, Federal Trade Commission.							4,800	
GENERAL ACCOUNTING OFFICE								
Salaries and expenses							1,674	Used in transporting officials and employees to and from the Capitol and Government departments and offices in the transaction of official business.
INTERSTATE COMMERCE COMMISSION								
Salaries and expenses	51	76,500	19	1,900	74,600	193		All vehicles (244) to be used by employees in the field in connection with the duties of the Commission.
NATIONAL CAPITAL HOUSING AUTHORITY								
Operation and maintenance of properties aided by Public Housing Administration.						1		Automobile used by NCHA officials in trips to properties, building sites and other agencies and by interviewers checking residences of housing applicants for substandard conditions.
Station wagon						2		Used by engineers to inspect operating housing properties located throughout the city and by planners and engineers checking and inspecting properties under development.
Total, National Capital Housing Authority.						3		
NATIONAL CAPITAL PLANNING COMMISSION								
Salaries and expenses							1,500	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.							500	Do.
Total, National Capital Planning Commission.							2,000	
NATIONAL LABOR RELATIONS BOARD								
Salaries and expenses							3,000	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		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.
Station wagon							600	Do.
Do							4,476	Director and staff of National Radio Astronomy Observatory, Greenbank, W. Va.: Transportation from observatory to nearest population centers for equipment, conferences and special mail deliveries.
Total, National Science Foundation						1	5,076	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960—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)				
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 Board.
Station wagon							$600	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.						3		For general use by the Administrator, deputy administrator, executive and administrative staff, and construction and operations supervisors in the executive direction, management and supervision of the construction, operation, and maintenance of the seaway.
Station wagon						1		
Total, Saint Lawrence Seaway Development Corporation.						4		
SECURITIES AND EXCHANGE COMMISSION								
Salaries and expenses: Station wagon						1	[1] 4,800	5 commissioners and staff members. Transportation to and from official meetings and conferences in Washington, D. C., with Members of Congress and other Government officials. Messengers: Delivery of special mail in the Washington area.
SELECTIVE SERVICE SYSTEM								
Salaries and expenses	7	$10,500	7	$700	$9,800	46	27,300	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	5	9,750	5	500	9,250	35		Same as above and to deliver supplies and equipment if necessary.
Total, Selective Service System.	12	20,250	12	1,200	19,050	81	27,300	
SMALL BUSINESS ADMINISTRATION								
Salaries and expenses							30,000	Washington: Vehicles are rented for use by the Administrator and other Washington officials to provide transportation to and from congressional hearings and official meetings and conferences in Washington. Field: Vehicles are rented for use by financial and other specialists to provide transportation in carrying out the financial assistance (particularly loan administration), procurement, and technical assistance, and investment and development assistance programs of the agency.
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	14,000	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 one fleet and are issued to employees as requested. About 420 units will be used in power operations, maintenance, and transmission construction activities; 118 in dam and steam plant construction at isolated sites not served by common carrier; 92 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.
UNITED STATES INFORMATION AGENCY								
Salaries and expenses	24	36,000	24	10,000	26,000	108	1,000	Director, deputy director, and other Agency officials: (1) Transportation to and from official meetings and conferences in Washington, D. C., with Members of Congress, U. S. Government officials, and officials of foreign governments and international organizations. (2) Foreign Service personnel: Transportation in foreign countries to and from meetings with U. S. Government officials; transportation of official visitors. (3) Radio relay base personnel: Transportation to and from out-of-town sites overseas on day and night shifts.

[1] Includes $1,300 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 1960—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—continued								
Salaries and expenses—Continued								
Station wagon	17	$32,300	17	$5,000	$27,300	72	$1,500	Same as (2) and (3) above, and (4) personnel in New York City: Transportation of engineers, producers, film, and radio equipment to special events in New York City.
Bus	2	8,500	2	1,700	6,800	8		Same as (3) above.
Total, United States Information Agency.	43	76,800	43	16,700	60,100	188	2,500	
VETERANS ADMINISTRATION								
General operating expenses						1	50	Administrator, deputy administrator, and top staff officials: Transportation to and from official meetings and conferences including operations alert.
Bus							150	Staff officials of Veterans Administration: Transportation to and from official meetings, budget hearings, etc.
Station wagon							800	Messengers: Delivery of special or classified mail in the Washington area.
Inpatient care	60	90,000	60	8,400	81,600	328	120,000	The passenger carrying vehicles are to be used in the efficient and economical operation of Veterans Administration 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 Veterans Administration hospitals, regional officers, 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 Veterans Administration standards and procedures, etc.
Station wagon	4	7,800	4	700	7,100	27	6,250	Do.
Ambulance	21	134,400	21	5,040	129,360	125	[2] 507,162	Do.
Bus	19	87,800	19	4,200	83,600	105	42,000	Do.
Outpatient care	3	4,500	3	420	4,080	6		Do.
Maintenance and operation of supply depots.	1	1,500	1	140	1,360	2		Do.
Total, Veterans Administration.	108	326,000	108	18,900	307,100	594	676,412	
Total, independent offices	817	1,999,219	752	195,650,000	1,777,569	3,590	1,745,726	

[2] Includes estimated amount of $377,672 for contract ambulance service.

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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							$180,149	Transportation of official personnel, air patrol of prohibited areas, geological evaluations.
Aircraft	1	$7,000	1	$1,000	$6,000	2		Do.
CIVIL AERONAUTICS BOARD								
Salaries and expenses						1	14,590	Staff officials: For investigating aircraft accidents in the field.
FEDERAL AVIATION AGENCY								
Expenses						108	14,111,900	Used by specialized flight inspection, technical and engineering personnel for certifying the accuracy and reliability of aids to air space navigation and traffic control; for experimental flight projects, and flight test operations in connection with developmental projects and evaluation of air traffic control systems and devices; 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 Federal Aviation Agency stations located in Alaska and the 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.	3	5,129,000			5,129,000			Do.
Research and development	3	92,700			92,700	3	1,231,400	Do.
Total, Federal Aviation Agency.	6	5,221,700			5,221,700	111	15,343,300	
TENNESSEE VALLEY AUTHORITY								
Tennessee Valley Authority fund						8	115,000	5 helicopters will be used for transmission line patrol, malaria control spraying, reconnaissance, aerial inventories, and air sampling in the vicinity of Tennessee Valley Authority steam plants for air pollution tests; 1 fixed-wing plane will be used for emergency malaria control spraying, transmission line trouble shooting, and reservoir aerial inspection; 1 airplane will be used for passenger service with some use for aerial mapping and reconnaissance; and 1 airplane 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	7	5,228,700	1	1,000	5,227,700	122	15,653,039	

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GENERAL SERVICES ADMINISTRATION

The new obligational authority of $258 million recommended for the General Services Administration for 1960 is about half the 1959 amount. This is primarily because no new funds are requested for construction and because less is being requested for repair of Federal buildings. Expenditures, however, will decline only slightly in 1960 to an estimated $411 million, which is $16 million below 1959 and $13 million below 1958. Sharp decreases in acquisitions of materials for the strategic stockpile will be offset by higher expenditures for construction of Government buildings from funds appropriated for 1959.

General property and records management.—Management of the Government's real property accounts for 84% of the 1960 recommendations for new obligational authority. New obligational authority for real property activities is expected to decline from $435 million in 1959 to $218 million in 1960. No funds are requested for the construction of additional office buildings; and recommended new obligational authority for repairs and improvements to buildings is reduced from $75 million in 1959 to $60 million in 1960, mainly by continuing air conditioning of office space at a slower rate. The most important increases proposed are for additional leased and Government-owned office space for tenant agencies, rental costs transferred from tenant agencies (with corresponding reductions for those agencies), temporary space, furniture and equipment incident to construction of new office buildings, and maintenance of a larger number of surplus properties pending arrangements for their disposal.

The central supply system operated by the General Services Administration continues to grow as agencies increasingly use its services. A 1959 supplemental request of $15 million for additional capital for the general supply fund is anticipated based on an estimated increase in business in 1959 of nearly one-third over 1958. General supply fund capital requirements are expected to remain at about the 1959 level during 1960, and no additional capital is therefore requested for 1960. Expenses of operating the supply depot system will increase somewhat in 1960 in line with additional depot sales. Other personal property activities are budgeted at about the 1959 level.

A minor increase is recommended in 1960 because of the added workload of the records centers. Transportation and public utility services will be at the 1959 level.

Stockpiling.—The recent review of stockpile needs has resulted in a sharp curtailment of procurement of strategic and critical materials. Stockpile inventories, together with strategic materials held in other Government inventories are sufficient to meet all but a few stockpile objectives. However, no transfers of materials from inventories accumulated under defense production expansion and Commodity Credit Corporation barter programs to the stockpile are scheduled for 1959 and 1960. Balances available from prior appropriations will be sufficient to finance stockpile operations through 1960.

Other functions.—The abaca fiber production program (carried out on several plantations in Central America) is being liquidated due to greatly reduced mobilization requirements. Accelerated sales of fiber will result in net receipts in 1960 of $1.3 million. Receipts under defense production guaranties and from the liquidation of the Federal Facilities Corporation and of certain assets of the former Reconstruction Finance Corporation are estimated at $2 million in 1960.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Major national security:						
067 Stockpiling and defense production expansion	----------	$3,000	----------	$184,224	$90,000	$50,000
International affairs and finance:						
151 Conduct of foreign affairs	----------	3,750	----------	----------	1,500	2,200
152 Economic and technical development	----------	----------	----------	347	−19	100
Total, international affairs and finance	----------	3,750	----------	347	1,481	2,300
Labor and welfare:						
213 Promotion of public health	$2,000	1,020	----------	6,236	4,500	3,000
Commerce and housing:						
515 Community development and facilities	----------	----------	----------	3	58	----------
518 Other aids to business	----------	----------	----------	−2,425	−3,395	−3,418
Total, commerce and housing	----------	----------	----------	−2,422	−3,337	−3,418
General government:						
602 Judicial functions	----------	----------	----------	232	30	----------
603 Executive direction and management	----------	----------	$200	----------	----------	180
605 General property and records management	266,538	489,575	257,529	235,761	334,845	359,215
Total, general government	266,538	489,575	257,729	235,993	334,875	359,395
Interest:						
652 Interest on refunds of receipts	----------	225	----------	218	224	100
Total, General Services Administration	268,538	497,570	257,729	424,596	427,743	411,377

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
REAL PROPERTY ACTIVITIES												
Current authorizations:												
Operating expenses, Public Buildings Service	605	$133,489	$141,739	$2,224	$155,100	$137,015	$146,876	$2,124	$149,000	$154,600	$100	$154,700
Repair and improvement, federally owned buildings	605	65,000	75,000		60,000	50,185	65,000		65,000	60,000		60,000
Payments, public buildings purchase contracts	605	149	311		1,675	105	138		138	1,675		1,675
Sites and expenses, public buildings projects	605	20,000	39,915			7,178	40,000		40,000	22,000		22,000
Construction, public buildings projects	605		152,810				10,000		10,000	75,000		75,000
Construction, Federal Office Building No. 6, Washington, District of Columbia	605		14,000				2,200		2,200	7,000		7,000
Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia	605		1,200				500		500	600		600
Construction, United States Mission Building, New York, N. Y.	151		3,750				1,500		1,500	2,200		2,200
Construction, public buildings	605	2,125	323			318	1,400		1,400	500		500
Hospital facilities in the District of Columbia	213	2,000	1,020			6,236	4,500		4,500	3,000		3,000
Miscellaneous accounts:												
Acquisition of land and building, Chicago, Ill.	605					500	500		500			
Additional court facilities	602					232	30		30			
Defense public works, community facilities	515					3	58		58			
Operating expenses	605						2		2			
Remodeling the Congress Street Post Office, Chicago, Ill.	605					64	300		300	64		64
Renovation and improvement of federally owned buildings outside the District of Columbia	605					5	6		6			
Repair, preservation, and equipment, outside the District of Columbia	605					1	3		3			
Sites and planning, public buildings outside the District of Columbia	605					8	75		75	18		18
United States Post Office, Chicago, Ill.	605					14	17		17			
United States Post Office and Courthouse, Nome, Alaska	605					924	250		250	24		24
Permanent authorizations:												
Expenses, disposal of surplus real and related personal property (indefinite special fund)	605	725	900		1,000	568	800		800	900		900
Public enterprise funds:												
Cost of maintenance, repair, etc., of improvements, public buildings	605					−556	6		6			
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings	605					−34						
Intragovernmental funds:												
Buildings management fund	605					−1,821	−95		−95	−100		−100
Construction services, public buildings	605					54	31		31	15		15
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Operating expenses, Public Buildings Service	605			1,891				1,741	1,741		150	150
Total, real property activities		223,488	430,968	4,115	217,775	200,999	274,097	3,865	277,962	327,496	250	327,746
PERSONAL PROPERTY ACTIVITIES												
Current authorizations:												
Operating expenses, Federal Supply Service	605	5,088	5,325	441	6,200	4,768	5,219	421	5,640	6,150	20	6,170
Expenses, supply distribution	605	17,687	18,925	975	22,000	16,797	19,270	930	20,200	21,591	45	21,636
Intragovernmental funds:												
General supply fund (current appropriation)	605	12,500	6,250			10,289	9,922		9,922	−2,442		−2,442
Administrative expenses, foreign aid procurements	152					347	−19		−19	100		100
Advances and reimbursements	605					295	100		100			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Expenses, supply distribution	605			784				682	682		102	102
General supply fund	605			15,000				15,000	15,000			
Total, personal property activities		35,275	30,500	17,200	28,200	32,496	34,492	17,033	51,525	25,399	167	25,566

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
RECORDS ACTIVITIES												
Current authorizations:												
Operating expenses, National Archives and Records Service	605	$7,831	$8,523	$612	$9,300	$7,537	$8,765	$585	$9,350	$9,168	$27	$9,195
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Operating expenses, National Archives and Records Service	605			41				40	40		1	1
Total, records activities		7,831	8,523	653	9,300	7,537	8,765	625	9,390	9,168	28	9,196
TRANSPORTATION AND UTILITIES ACTIVITIES												
Current authorizations:												
Operating expenses, Transportation and Public Utilities Service	605	1,684	1,850	162	2,029	1,591	1,829	146	1,975	2,084	16	2,100
DEFENSE MATERIALS ACTIVITIES												
Current authorizations:												
Strategic and critical materials	067		3,000			184,224	90,000		90,000	50,000		50,000
Public enterprise funds:												
Abaca fiber program	518					82	−600		−600	−1,282		−1,282
Limitation on administrative expenses, abaca fiber program	518	(49)	(47)	(6)	(53)							
Defense production guaranties, defense materials activities	518					−503	−753		−753	−642		−642
Total, defense materials activities			3,000			183,803	88,647		88,647	48,076		48,076
GENERAL ACTIVITIES												
Current authorizations:												
Salaries and expenses, Office of Administrator	605	260	300	14	225	244	310	13	323	225	1	226
Allowances and office facilities for former Presidents	603				200					180		180
Refunds under Renegotiation Act (interest)	652					218	149		149			
Public enterprise funds:												
Federal Facilities Corporation fund	518					−738	−906		−906	−1,017		−1,017
Limitation on administrative expenses, Federal Facilities Corporation fund	518	(50)	(25)	(2)	(24)							
Reconstruction Finance Corporation liquidation fund	518					−1,266	−1,136		−1,136	−477		−477
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund	518	(57)	(50)	(5)	(44)							
Intragovernmental funds:												
Administrative operations fund	605					−268	−300		−300	−315		−315
Working capital fund	605					−20	−16		−16	−9		−9
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Salaries and expenses, Office of Administrator	605			60				55	55		5	5
Refunds under Renegotiation Act (interest)	652			225				75	75		100	100
Total, general activities		260	300	299	425	−1,830	−1,899	143	−1,756	−1,413	106	−1,307
Total new obligational authority and budget expenditures		268,538	475,141	22,429	257,729	424,596	405,931	21,812	427,743	410,810	567	411,377

RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations: Appropriations		$267,813	$474,241		$256,729	$424,596	$405,931			$410,810		
Permanent authorizations: Appropriations		725	900		1,000							
Proposed for later transmission:												
Pay increase supplemental appropriations			4,428				4,219			209		
Other: Appropriations			18,001				17,593			358		
Total new obligational authority and budget expenditures		268,538	497,570		257,729	424,596	**427,743**			**411,377**		

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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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
REAL PROPERTY ACTIVITIES										
Cost of maintenance, repair, etc., of improvements, public buildings	605	$12	$6	----------	$567	----------	----------	−$556	$6	----------
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings	605	8	----------	----------	42	----------	----------	−34	----------	----------
Total, real property activities	------	20	6	----------	609	----------	----------	−590	6	----------
DEFENSE MATERIALS ACTIVITIES										
Abaca fiber program	518	3,052	2,404	$960	2,969	$3,004	$2,242	82	−600	−$1,282
Defense production guaranties, defense materials activities	518	115	15	13	619	768	655	−503	−753	−642
Total, defense materials activities	------	3,167	2,419	973	3,588	3,772	2,897	−421	−1,353	−1,924
GENERAL ACTIVITIES										
Federal Facilities Corporation fund	518	512	426	424	1,250	1,332	1,441	−738	−906	−1,017
Reconstruction Finance Corporation liquidation fund	518	132	105	110	1,398	1,241	587	−1,266	−1,136	−477
Total, general activities	------	644	531	534	2,648	2,573	2,028	−2,004	−2,042	−1,494
Total, public enterprise funds	------	3,831	2,956	1,507	6,845	6,345	4,925	−3,014	−3,389	−3,418

ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authorizations	Unobligated	Total
REAL PROPERTY ACTIVITIES											
Current authorizations:											
Operating expenses, Public Buildings Service	----------	$10,643	----------	$7,222	----------	$1,893	$155,100	$152,900	$1,800	----------	$2,293
Repair and improvement, federally owned buildings	$11,373	30,308	$352	45,123	----------	55,122	60,000	20,000	40,000	----------	55,122
Payments, public buildings purchase contracts	----------	----------	----------	----------	----------	----------	1,675	1,675	----------	----------	----------
Sites and expenses, public buildings projects	3,652	12,954	16,506	26,525	$3,420	26,440	----------	----------	22,000	----------	4,440
Construction, public buildings projects	----------	----------	----------	----------	8,090	142,810	----------	----------	75,000	$27	67,810
Construction, Federal Office Building No. 6, Washington, District of Columbia	----------	----------	----------	----------	400	11,800	----------	----------	7,000	100	4,800
Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia	----------	----------	----------	----------	120	700	----------	----------	600	----------	100
Construction, United States Mission Building, New York, N. Y.	----------	----------	----------	----------	30	2,250	----------	----------	2,200	5	50
Construction, public buildings	----------	----------	1,784	1,808	45	730	----------	----------	500	----------	230
Hospital facilities in the District of Columbia	5,930	11,793	5,013	7,557	133	4,077	----------	----------	3,000	101	1,077
Miscellaneous accounts:											
Acquisition of land and building, Chicago, Ill.	1,000	1,000	500	500	----------	----------	----------	----------	----------	----------	----------
Additional court facilities	----------	281	----------	30	----------	----------	----------	----------	----------	----------	----------
Defense public works, community facilities	159	159	9	9	----------	----------	----------	----------	----------	----------	----------
Federal supply and records building	1	1	----------	----------	----------	----------	----------	----------	----------	----------	----------
Operating expenses	----------	2	----------	2	----------	----------	----------	----------	----------	----------	----------
Remodeling the Congress Street Post Office, Chicago, Ill.	348	427	67	364	----------	64	----------	----------	64	----------	----------
Renovation and improvement of federally owned buildings outside the District of Columbia	15	27	1	7	----------	----------	----------	----------	----------	----------	----------
Repair, preservation, and equipment, outside the District of Columbia	----------	4	----------	4	----------	----------	----------	----------	----------	----------	----------
Sites and planning, public buildings outside the District of Columbia	1,134	1,134	376	376	283	301	----------	----------	18	283	283
United States Post Office, Chicago, Ill.	55	57	42	43	----------	----------	----------	----------	----------	----------	----------
United States Post Office and Courthouse, Nome, Alaska	110	1,213	87	289	----------	24	----------	----------	24	----------	----------
Permanent authorizations:											
Expenses, disposal of surplus real and related personal property (indefinite special fund)	----------	134	----------	285	----------	385	1,000	525	375	----------	485

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
REAL PROPERTY ACTIVITIES—Continued											
Public enterprise funds:											
Cost of maintenance, repair, etc., of improvements, public buildings	$543	$543	$548	$555							
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings	35	35	34	33							
Intragovernmental funds:											
Buildings management fund	6,640	7,236	−2,075	8,824	$521	$8,521			−$100	$521	[1] $8,121
Construction services, public buildings	138	311	39	257	26	226			15	11	211
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Operating expenses, Public Building Services						150			150		
Total, real property activities	31,133	78,262	23,283	99,813	13,068	255,493	$217,775	$175,100	152,646	1,048	145,022
PERSONAL PROPERTY ACTIVITIES											
Current authorizations:											
Operating expenses, Federal Supply Service		220		487		613	6,200	5,600	570		643
Expenses, supply distribution		726		1,487		1,187	22,000	20,460	1,176		1,551
Intragovernmental funds:											
General supply fund (current appropriation)	11,652	14,698	−1,654	15,830	13,978	9,986			−2,442	2,159	[2] 10,028
Administrative expenses, foreign aid procurements	471	607	373	259	272	278			100	172	178
Advances and reimbursements	160	731	14	390		276					276
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Expenses, supply distribution						102			102		
Total, personal property activities	12,283	16,982	−1,267	18,453	14,250	12,442	28,200	26,060	−494	2,331	12,676
RECORDS ACTIVITIES											
Current authorizations:											
Operating expenses, National Archives and Records Service	1	344		681		402	9,300	8,800	395		508
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Operating expenses, National Archives and Records Service						1			1		
Total, records activities	1	344		681		404	9,300	8,800	396		508
TRANSPORTATION AND UTILITIES ACTIVITIES											
Current authorizations:											
Operating expenses, Transportation and Public Utilities Service		77		168		205	2,029	1,900	200		134
DEFENSE MATERIALS ACTIVITIES											
Current authorizations:											
Strategic and critical materials	198,560	407,561	144,086	223,337	96,500	136,337			50,000	54,760	86,337
Public enterprise funds:											
Abaca fiber program	4,562	4,889	4,709	4,807	2,905	2,907			−1,282		[3]
Defense production guaranties, defense materials activities	3,941	3,875	4,556	4,378	5,302	5,131			−642	5,933	5,773
Total, defense materials activities	207,063	416,325	153,351	232,522	104,707	144,375			48,076	60,693	92,110
GENERAL ACTIVITIES											
Current authorizations:											
Salaries and expenses, Office of Administrator		20		21		12	225	214	12		11
Allowances and office facilities for former Presidents							200	180			20
Refunds under Renegotiation Act (interest)	367	367	40	149							
Public enterprise funds:											
Federal Facilities Corporation fund	11,601	9,865	6,264	4,603	7,076	5,509			−1,017	8,028	6,526
Reconstruction Finance Corporation liquidation fund	12,469	7,819	13,267	9,095	13,977	10,231			−477	14,343	10,708

[1] Excludes capital transfer in 1960 of $500 thousand. [2] Excludes capital transfer in 1960 of $2,400 thousand. [3] Excludes capital transfer in 1960 of $4,189 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
GENERAL ACTIVITIES—Continued											
Intragovernmental funds:											
Administrative operations fund		$471		$723		$1,023			−$315		$1,338
Working capital fund	$78	138	$84	156	$87	163			−9	$92	[4] 167
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Salaries and expenses, Office of Administrator						5			5		
Refunds under Renegotiation Act (interest)					150	150			100	50	50
Total, general activities	24,515	18,680	19,655	14,747	21,290	17,093	$425	$394	−1,701	22,513	18,820
Total, General Services Administration	274,995	530,670	195,022	366,384	153,315	430,012	257,729	212,254	199,123	86,585	269,270
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations shown above	$222,705	$479,452	$168,863	$316,474	$109,021	$385,353				$55,276	$225,894
Balances of anticipated pay increase supplementals not identified above						−209	$257,729	$212,254	$198,556		
Subtotal	222,705	479,452	168,863	316,474	109,021	385,144				55,276	225,894
Revolving and management funds	52,290	51,218	26,159	49,910	44,144	44,251				31,259	[5] 43,326
Proposed for later transmission:											
Appropriations					150	408				50	50
Balances of anticipated pay increase supplementals not identified above						209			567		
Subtotal					150	617				50	50
Total, General Services Administration	274,995	530,670	195,022	366,384	153,315	430,012	257,729	212,254	199,123	86,585	269,270

[4] Excludes capital transfer in 1960 of $5 thousand.

[5] Excludes capital transfers in 1960 of $7,094 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$179,452	$316,474	$385,144
Revolving and management funds	51,218	49,910	44,251
Proposed for later transmission:			
Pay increase supplemental appropriations			209
Other: Appropriations			408
Total balances brought forward	530,670	366,384	430,012
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	267,813	474,241	256,729
Permanent authorizations: Appropriations	725	900	1,000
Total new obligational authority enacted or recommended	268,538	475,141	257,729
Proposed for later transmission:			
Pay increase supplemental appropriations		4,428	
Other: Appropriations		18,001	
Total new obligational authority proposed for later transmission		22,429	
Total new obligational authority	268,538	497,570	257,729
Other amounts available:			
Net transfers of balances from other agencies	9		
Appropriations available in prior year		−356	
Appropriations available from subsequent year	356		
Total other amounts available	365	−356	
Total budget authorizations available	799,573	863,598	687,741
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	424,596	405,931	212,254
Out of balances of prior obligational authority			198,556
Total expenditures from obligational authority enacted or recommended	424,596	405,931	410,810
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		4,219	209
Other:			
Out of new obligational authority		17,593	
Out of balances of prior obligational authority			358
Total expenditures from obligational authority proposed for later transmission		21,812	567
Total budget expenditures	424,596	427,743	411,377
Amounts no longer available:			
Unobligated balances expiring and lapsing	443	180	
Capital transfers from revolving funds to receipt accounts	7,894	5,663	7,094
Adjustment of balances downward in expired accounts, net	257		
Total amounts no longer available	8,594	5,843	7,094
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	316,474	385,144	225,894
Revolving and management funds	49,910	44,251	43,326
Proposed for later transmission:			
Pay increase supplemental appropriations		209	
Other: Appropriations		408	50
Total balances carried forward at close of year	366,384	430,012	269,270
Obligations incurred, net	$340,530	$533,078	$317,365

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REAL PROPERTY ACTIVITIES

Current authorizations:

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; *and* payments in lieu of taxes pursuant to the Act of August 12, 1955 (40 U. S. C. 521); [and not to exceed $247,000 for expenses of travel; $136,539,000] *$155,100,000*: *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".

[For an additional amount for "Operating expenses, Public Buildings Service", $5,200,000; and the limitation under this head in the Independent Offices Appropriation Act, 1959, on the amount available for travel expenses of employees, is increased by $6,000.] (*Independent Offices Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$141,739,000** Estimate 1960, [a] **$155,100,000**

[a] Excludes $4,555,000 for activities transferred in the estimates to "Strategic and critical materials." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Buildings management	$125,282,525	$133,063,700	$146,651,000
2. Acquisition and disposal	2,686,542	2,779,400	2,830,000
3. Design and construction	231,003	231,600	231,600
4. Program planning	663,822	791,700	791,700
5. Service direction	511,052	595,700	595,700
6. Administrative operations	3,530,900	3,589,500	4,000,000
7. 1959 program obligated in 1958	291,607	−291,607	
Total obligations	133,197,451	140,759,993	155,100,000
Financing:			
Comparative transfers to other accounts	544,358	2,911,000	
1959 appropriation available in 1958	−291,607	291,607	
Unobligated balance no longer available	38,598		
New obligational authority	133,488,800	143,962,600	155,100,000
New obligational authority:			
Appropriation	$132,689,000	$141,739,000	$155,100,000
Transferred (71 Stat. 232) to—			
"Operating expenses, Federal Supply Service"	−67,000		
"Operating expenses, Transportation and Public Utilities Service"	−30,000		
Transferred from—			
"Payments, public buildings purchase contracts" (72 Stat. 243)	880,000		
"Expenses, supply distribution" (63 Stat. 381)	16,800		
Appropriation (adjusted)	133,488,800	141,739,000	155,100,000
Proposed supplemental due to pay increases		2,223,600	

This appropriation provides for basic real property operations of the General Services 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; and central direction of all buildings design, construction, and repairs.

The appropriation request for 1960 is a net increase of $12,157,400 above a comparable amount for 1959 which includes a proposed supplemental of $4,114,600. The net increase is composed of $11,696,300 for management and operation of buildings, and $461,100 for other program activities and administrative operations to support the expanded program.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Government-owned space	54,921,000	54,876,000	54,985,000	56,203,000
Leased space	20,434,000	21,428,000	22,544,000	24,236,000
Purchase contract space		40,000	62,000	577,000

(*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 1960 of $11,696,300 over the comparable amount for 1959 is composed of the following items:

Operation and protection of Government-owned space	$2,337,400
Rental, operation, and protection of leased space	2,481,900
Cost of space supplied to other agencies, reimbursable in 1959	2,960,000
Operation and protection of purchase contract space	658,000
Moving, temporary quarters, etc., for new building projects	2,505,000
Maintenance of industrial reserve and surplus properties	2,000,000
Furniture to be provided by tenant agencies	−450,000
Operation of emergency communication facilities	−760,000
Payments in lieu of taxes	−36,000
Total	11,696,300

2. *Acquisition and disposal.*—This activity provides for (*a*) acquisition of real property by lease, purchase, exchange or donation, and management of available building sites pending construction; (*b*) disposal and utilization of excess, surplus, and industrial reserve property; and (*c*) appraisal services. Sales of surplus properties are estimated at $26,500,000 in 1959 and $28,000,000 in 1960, compared to $40,093,000 in 1958, and $11,560,000 in 1957.

3. *Design and construction.*—This activity provides for a small staff responsible for central 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.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	GENERAL SERVICES ADMINISTRATION			
	Total number of permanent positions	479	470	470
	Full-time equivalent of all other positions	9	5	2
	Average number of all employees	423	465	457
	Number of employees at end of year	464	461	462
	Average GS grade and salary	8.8 $6,633	9.1 $7,531	9.1 $7,614
01	Personal services:			
	Permanent positions	$2,930,340	$3,481,721	$3,478,470
	Positions other than permanent	39,243	19,895	9,300
	Other personal services	23,536	13,584	27,430
	Total personal services	2,993,119	3,515,200	3,515,200
02	Travel	207,079	244,000	350,000
03	Transportation of things	9,744	2,500	2,500
04	Communication services	88,274	90,300	90,300
05	Rents and utility services	187		
06	Printing and reproduction	56,327	42,900	42,900
07	Other contractual services	123,292,021	131,750,800	145,403,700
	Payment to "Administrative operations fund"	3,530,900	3,589,500	4,000,000
	Services performed by other agencies	16,530	20,000	20,000
08	Supplies and materials	40,933	41,200	41,200
09	Equipment	1,650,056	1,014,500	929,500
10	Lands and structures	305,333		
11	Grants, subsidies, and contributions	177,928	228,800	228,800
13	Refunds, awards, and indemnities	13,815	1,500	1,500

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
GENERAL SERVICES ADMINISTRATION—con.			
15 Taxes and assessments	$518,598	$510,400	$474,400
1959 program obligated in 1958	291,607	−291,607	
Total, General Services Administration	133,192,451	140,759,993	155,100,000
ALLOCATION TO ARMY			
07 Other contractual services	5,000		
Total obligations	133,197,451	140,759,993	155,100,000

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 $300,000 for expenses of travel;] and care and safeguarding of sites acquired for Federal buildings; [$75,000,000,] to remain available until expended, *$60,000,000, of which $2,000,000 shall be available for construction and testing prototype fallout shelters in existing federally owned buildings: Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $72,000,000.* (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$75,000,000** Estimate 1960, **$60,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Maintenance repairs	$18,088,328	$16,213,516	$17,000,000
2. Renovation projects	10,625,678	17,565,895	15,500,000
3. Air conditioning	738,924	400,000	700,000
4. Fallout shelters			50,000
5. Administrative operations	917,378	997,800	900,000
6. Adjustment of prior year costs	384,173		
Total operating costs	30,754,481	35,177,211	34,150,000
Capital outlay:			
1. Maintenance repairs	487,464	1,147,508	1,600,000
2. Renovation projects	8,013,845	15,195,123	20,500,000
3. Air conditioning	21,344,748	25,064,315	14,800,000
4. Fallout shelters			950,000
Total capital outlay	29,846,057	41,406,946	37,850,000
Total accrued expenditures	60,600,538	76,584,157	72,000,000
Unpaid undelivered orders brought forward	−22,514,419	−37,944,219	−36,712,346
Unpaid undelivered orders carried forward	37,944,219	36,712,346	24,712,346
Total program (obligations)	76,030,338	75,352,284	* 60,000,000
Financing:			
Comparative transfers from (−) other accounts	−9,700		
Unobligated balance brought forward	−11,372,922	−352,284	
Unobligated balance carried forward	352,284		
Appropriation (new obligational authority)	65,000,000	75,000,000	60,000,000

This appropriation provides for repairs, renovations, and improvements for over 4,600 Federal buildings under the jurisdiction of General Services Administration for that purpose which contain more than 116.6 million net square feet of floor space and were constructed or purchased at a cost exceeding $1.5 billion. The budget for 1960 provides for continuing maintenance repairs at the 1958–59 level but scheduling renovation and air conditioning work at a slower rate. It also provides for stimulating non-Federal civil defense preparedness by Federal example in providing fallout shelters in existing Government buildings.

This year for the first time this account includes a limitation on accrued expenditures in accordance with Public Law 85–759.

1. *Maintenance repairs.*—Normal recurring needs for repairs to buildings and equipment develop at the average rate of approximately $0.15 per net square foot each year. About 7% of this activity provides for numerous minor capitalized items too small to be considered as renovation projects.

2. *Renovation projects.*—Elimination of major obsolescence and deterioration of buildings is provided by bringing the properties up to modern standards of usefulness to improve working conditions and efficiency of occupying agencies. It is estimated that about 57% of this work will be for capital improvements.

3. *Air conditioning.*—Improvements in working conditions are provided for occupants of buildings located in areas of high temperature and humidity. Approximately 25% of the amount required to air condition existing buildings in zones where the combination of effective temperature and humidity exceeds 80°, based on a study completed in 1956, will have been provided by the end of 1960. Costs under this activity are considered to be capital improvements.

4. *Fallout shelters.*—As a civil defense measure funds are included for construction and testing fallout shelters in existing federally owned buildings.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$234,763	$300,000	$350,000
03 Transportation of things	20,252	20,000	20,000
04 Communication services	85,712	85,000	85,000
05 Rents and utility services	2,573	2,500	2,500
06 Printing and reproduction	99,420	125,000	100,000
07 Other contractual services	32,988,911	39,246,757	36,667,400
Payment to "Administrative operations fund"	917,378	997,800	900,000
Services performed by other agencies	8,421	17,000	10,000
08 Supplies and materials	1,204,558	1,200,000	1,200,000
09 Equipment	123,443	250,000	125,000
10 Lands and structures	24,487,377	34,300,000	32,500,000
13 Refunds, awards, and indemnities	43,532	40,000	40,000
15 Taxes and assessments	25	100	100
Adjustment of prior year costs	384,173		
Total accrued expenditures	60,600,538	76,584,157	72,000,000
Increase or decrease (−) in unpaid undelivered orders	15,429,800	−1,231,873	−12,000,000
Total obligations	76,030,338	75,352,284	60,000,000

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), [$310,900] *$1,675,000: Provided,* That [hereafter, except for projects located at Atlanta, Georgia; Rock Island, Illinois; Council Bluffs, Iowa; Kansas City, Kansas; Burlington, Iowa; Albuquerque, New Mexico; Sacramento, California; Brunswick, Georgia; Sedan, Kansas; Jonesboro, Louisiana; Lake Charles, Louisiana; Redwood Falls, Minnesota; Biloxi, Mississippi; Greenville, Mississippi; Laurel, Mississippi; Omaha, Nebraska; Durham, New Hampshire; Manning, South Carolina; Sisseton, South Dakota; Kingsport, Tennessee; Gainesville, Texas; McKinney, Texas; Huntington, West Virginia; Green Bay, Wisconsin; Marshfield, Missouri; Terrell, Texas; Mount Hope, West Virginia; Benton, Illinois; Burlington, Vermont; St. Marys, Ohio; West Memphis, Arkansas; Newkirk, Oklahoma; Point Pleasant, New Jersey; and Denver, Colorado; no part of any funds

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in this or any other Act shall be used for payment for sites, planning or construction of any buildings by lease-purchase contracts: *Provided further*, That] *authority heretofore granted under this head for* the Administrator of General Services [may] *to* enter into a 10-year contract for the project at Sacramento, California, [during the fiscal year 1959,] for which the annual payment for amortization of principal and interest thereon shall not exceed $1,250,600, *is hereby extended to December 31, 1959.* (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$310,900** Estimate 1960, **$1,675,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Principal and interest	$105,362	$105,400	$1,497,700
2. Taxes		32,900	177,300
Total obligations	105,362	138,300	1,675,000
Financing:			
Unobligated balance no longer available	43,738	172,600	
New obligational authority	149,100	310,900	1,675,000
New obligational authority:			
Appropriation	$1,331,100	$310,900	$1,675,000
Transferred (72 Stat. 243) to—			
"Operating expenses, Public Buildings Service"	−880,000		
"Operating expenses, National Archives and Records Service"	−258,000		
"Operating expenses, Transportation and Public Utilities Service"	−44,000		
Appropriation (adjusted)	149,100	310,900	1,675,000

By legislative action authority to acquire buildings through lease-purchase arrangements under the Public Buildings Purchase Contract Act of 1954 is limited to 29 specific projects costing $55.7 million. Of these, 28 projects costing $45.7 million are under contract or completed. Provision is made to continue authority to contract for the remaining project costing $10 million during 1960. The estimate for 1960 provides for payments to contractors maturing on 25 projects and taxes becoming payable on 17 projects.

Object Classification

		1958 actual	1959 estimate	1960 estimate
10	Lands and structures	$105,362	$41,100	$888,200
14	Interest		64,300	609,500
15	Taxes and assessments		32,900	177,300
	Total obligations	105,362	138,300	1,675,000

[Sites and Expenses, Public Buildings Projects]

[For expenses necessary in connection with construction of approved public buildings projects not otherwise provided for, including preparation of drawings and specifications, by contract or otherwise; acquisition of sites, including soil investigations and tests; not to exceed $200,000 for expenses of travel; administrative expenses; and for preliminary planning of public buildings projects; $39,915,000, to remain available until expended, and not to exceed $500,000 of this amount shall be available for construction of 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 any unexpended balances of funds heretofore appropriated to the General Services Administration for sites and expenses or sites and planning shall be available for the purposes hereinabove set forth and may be consolidated with this appropriation: *Provided further*, That not to exceed $100,000 of such funds may be deposited to the Administrative Operations Fund in addition to the amount included in the budget estimates for that purpose.] (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$39,915,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Site acquisition	$2,935,626	$31,711,100	$210,000
2. Design and supervision	4,008,979	20,059,939	2,347,473
3. Construction	456,439	543,561	
4. Program development	324,962	500,000	500,000
5. Administrative operations	190,216	185,400	363,000
Total obligations	7,916,222	53,000,000	3,420,473
Financing:			
Comparative transfers from (−) other accounts	−19,700		
Unobligated balance transferred from "Sites and planning, public buildings outside the District of Columbia" (69 Stat. 458)	−750,000		
Unobligated balance brought forward	−3,651,995	−16,505,473	−3,420,473
Unobligated balance carried forward	16,505,473	3,420,473	
Appropriation (new obligational authority)	20,000,000	39,915,000	

This appropriation provides for site acquisition, design, and supervision of construction of authorized new public buildings; construction of a few small buildings; and program planning and development of projects to be proposed for future authorization.

By the end of 1959 all sites will have been acquired for 101 presently authorized new public buildings with estimated improvement costs of $766 million and design for substantially all of these projects will have been put under contract.

The program for 1960, financed from balances of prior appropriations, contemplates contract supervision of construction scheduled to be underway on 79 projects and review of newly completed designs. Approximately $14 million will be required later to completely finance the remaining authorized projects.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	44	42	42
	Average number of all employees	29	41	41
	Number of employees at end of year	32	42	42
	Average GS grade and salary	7.5 $5,866	9.2 $7,591	9.2 $7,684
01	Personal services:			
	Permanent positions	$185,868	$306,820	$305,660
	Positions other than permanent	368		
	Other personal services	1,879	1,180	2,340
	Total personal services	188,115	308,000	308,000
02	Travel	18,333	200,000	200,000
03	Transportation of things	3,483	10,000	10,000
04	Communication services	1,928	15,000	15,000
06	Printing and reproduction	119,822	200,000	200,000
07	Other contractual services	4,029,883	19,790,339	2,081,873
	Payment to "Administrative operations fund"	190,216	185,400	363,000
	Services performed by other agencies	454	1,000	1,000
08	Supplies and materials	1,181	10,000	10,000
09	Equipment	1,458	5,000	1,000
10	Lands and structures	3,349,645	32,254,661	210,000
11	Grants, subsidies, and contributions	11,379	20,000	20,000
13	Refunds, awards, and indemnities	200	600	600
15	Taxes and assessments	125		
	Total obligations	7,916,222	53,000,000	3,420,473

[Construction, Public Buildings Projects]

[For construction of 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), $152,810,000, to remain available until expended, of which amount not to exceed $700,000 shall be available for site and construction costs for the project at Milledgeville, Georgia.] (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$152,810,000**

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

[CONSTRUCTION, PUBLIC BUILDINGS PROJECTS]—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Site acquisition		$175,000	
2. Design and supervision		48,000	
3. Construction		144,497,000	$8,063,000
Total obligations		144,720,000	8,063,000
Financing:			
Unobligated balance brought forward			−8,090,000
Unobligated balance carried forward		8,090,000	27,000
Appropriation (new obligational authority)		152,810,000	

This appropriation provides for financing the construction of authorized public buildings. Except for site and design costs for the building at Milledgeville, Ga., costs for site acquisition, design and construction supervision are provided for under "Sites and expenses, public buildings projects."

The program for 1959 contemplates construction starts on 46 projects costing $144.7 million out of a total authorized to date of 47 involving costs of over $152 million. The remaining project, involving improvement costs of $8 million, is programed for 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services		$48,000	
10 Lands and structures		144,672,000	$8,063,000
Total obligations		144,720,000	8,063,000

[CONSTRUCTION, FEDERAL OFFICE BUILDING NUMBERED SIX, WASHINGTON, DISTRICT OF COLUMBIA]

[For construction of Federal Office Building Numbered Six in Washington, District of Columbia, pursuant to the provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $14,000,000, to remain available until expended.] (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$14,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction (total obligations)		$13,600,000	$300,000
Financing:			
Unobligated balance brought forward			−400,000
Unobligated balance carried forward		400,000	100,000
Appropriation (new obligational authority)		14,000,000	

A site has been acquired and a contract awarded for design of Federal Office Building Numbered Six, in the southwest redevelopment area, Washington, D. C., financed under Sites and expenses, public buildings projects. Drawings and specifications are expected to be completed in January 1959, and advertising placed for construction bids in February 1959.

Award of the construction contract is scheduled for April 1959, for completion early in 1961.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures		$13,600,000	$300,000

[CONSTRUCTION, UNITED STATES COURT OF CLAIMS AND FEDERAL OFFICE BUILDING, WASHINGTON, DISTRICT OF COLUMBIA]

[For expenses necessary for preparation of plans and specifications for a building in Washington, District of Columbia, 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.] (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$1,200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Design and supervision (total obligations)		$1,080,000	$120,000
Financing:			
Unobligated balance brought forward			−120,000
Unobligated balance carried forward		120,000	
Appropriation (new obligational authority)		1,200,000	

A contract has been awarded for drawings and specifications for construction of a building at 17th and Pennsylvania Ave. NW., for use of the United States Court of Claims and agencies of the executive branch of the Government. The completed plans are expected about April 1, 1960. The maximum cost of this project is $35,340,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel		$1,000	$2,000
06 Printing and reproduction		24,000	10,000
07 Other contractual services		1,055,000	108,000
Total obligations		1,080,000	120,000

[CONSTRUCTION, UNITED STATES MISSION BUILDING, NEW YORK, NEW YORK]

[For construction of a building in New York, New York, 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), $3,750,000, to remain available until expended.] (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$3,750,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction (total obligations)		$3,720,000	$25,000
Financing:			
Unobligated balance brought forward			−30,000
Unobligated balance carried forward		30,000	5,000
Appropriation (new obligational authority)		3,750,000	

The design of a building to house the United States Mission to the United Nations was completed in September 1958. A contract was awarded in November 1958 for the construction of the building for completion early in 1961.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures		$3,720,000	$25,000

[CONSTRUCTION, PUBLIC BUILDINGS]

[For an additional amount for "Construction, public buildings", $323,000, to remain available until expended.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$323,000**

Program and Financing

	Costs to this appropriation				Analysis of 1960 financing			
	Total estimate	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete
Program by activities:								
1. Brownsville, Tex., border station	$565,000	$3,615	$450,000	$100,000	$111,385	$11,385		
2. Eagle Pass, Tex., border station	365,000	2,671	260,000	75,000	102,329	27,329		
3. Madawaska, Maine, border station	260,000		200,000	60,000	60,000			
4. Rooseveltown, N. Y., border station	280,000	3,054	240,000	36,946	36,946			
5. San Ysidro, Calif., border station	978,000	318,300	500,000	100,000	159,700	59,700		
Total program costs	2,448,000	327,640	1,650,000	371,946	470,360	98,414		
6. Relation of costs to obligations:								
Costs financed from obligations of other years (unpaid undelivered orders) net (−)				−327,040				
Obligations incurred for costs of other years (unpaid undelivered orders), net		13,454	412,000					
Total program (obligations)		341,094	2,062,000	44,906				
Financing:								
Unobligated balance brought forward			−1,783,906	−44,906				
Unobligated balance carried forward		1,783,906	44,906					
Appropriation (new obligational authority)		2,125,000	323,000					

An additional amount of $323,000 was appropriated in 1959 for the acquisition of sites, design, and construction of 5 border stations. It is estimated that design will be completed and construction contracts awarded in 1959 for completion in 1960.

6. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $13,454; 1959, $425,454; and 1960, $98,414.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$324	$2,000	$3,000
06 Printing and reproduction	80	10,000	2,000
07 Other contractual services	8,908	131,650	18,916
10 Lands and structures	331,782	1,918,350	20,990
Total obligations	341,094	2,062,000	44,906

[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, $1,020,000, to remain available until expended: *Provided*, That this paragraph shall be effective only upon the enactment into law of S. 3259, Eighty-fifth Congress.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$1,020,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction	$2,374,209	$522,261	
2. Grants	542,493	5,377,739	$32,000
Total obligations	2,916,702	5,900,000	32,000
Financing:			
Unobligated balance brought forward	−5,929,792	−5,013,090	−133,090
Unobligated balance carried forward	5,013,090	133,090	101,090
Appropriation (new obligational authority)	2,000,000	1,020,000	

Improvements of private hospital facilities in the District of Columbia are made under legislation authorizing appropriations of $40,730,000.

1. *Construction.*—Under authorized appropriations of $23,410,000 a new hospital center was physically completed and occupied during 1958. Cleanup will be completed and remaining equipment installed during 1959.

2. *Grants.*—Under authorized appropriations of $14,320,000 grants totaling $12,974,578 have been approved for private agencies in the District of Columbia for improving existing hospital facilities on which building costs are estimated at $34.8 million.

Approximately $7.1 million, representing 50% of the grants, is to be reimbursed by the District of Columbia over a period of years.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$31	$1,000	$500
03 Transportation of things	2,726	500	200
04 Communication services	198	200	100
05 Rents and utility services	149		
06 Printing and reproduction	6,479	5,000	500
07 Other contractual services	215,644	106,011	30,700
08 Supplies and materials	134,892	20,200	
09 Equipment	1,554,321	200,000	
10 Lands and structures	480,226	222,000	
11 Grants, subsidies, and contributions	522,036	5,345,089	
Total obligations	2,916,702	5,900,000	32,000

REAL PROPERTY ACTIVITIES MISCELLANEOUS ACCOUNTS

NOTE.—The following schedule includes unobligated balances for "Federal supply and records building," "Renovation and improvement of federally owned buildings outside the District of Columbia."

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Acquisition of land and building, Chicago, Ill."	$500,000	$500,000	
2. "Defense public works, community facilities"	2,980	57,600	

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

REAL PROPERTY ACTIVITIES MISCELLANEOUS ACCOUNTS—Con.

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
3. "Remodeling the Congress Street Post Office, Chicago, Ill."	$281,098	$66,895	
4. "Sites and planning, public buildings outside the District of Columbia"	8,300	92,963	
5. "United States Post Office, Chicago, Ill."	13,555	16,000	
6. "United States Post Office and Courthouse, Nome, Alaska"	23,549	71,999	
Total obligations	829,482	805,457	
Financing:			
Unobligated balance brought forward	−2,822,640	−1,082,273	−$283,000
Unobligated balance transferred to "Sites and expenses, public buildings projects" (69 Stat. 458)	750,000		
Recovery of prior year obligations	−1,446		
Restoration from surplus fund		−48,515	
Unobligated balance carried forward	1,082,273	283,000	283,000
Unobligated balance no longer available	162,331	42,331	
Appropriation (new obligational authority)			

1. *Acquisition of land and building, Chicago, Ill.*—Condemnation proceedings for the acquisition of the Rand-McNally Building, Chicago, Ill., are in process to provide housing for certain agencies in the Chicago area.

2. *Defense public works, community facilities.*—Funds are available for settlements in excess of amounts deposited with United States courts in condemnation proceedings for acquisition of land for community facilities in areas affected by defense activities during World War II.

3. *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 in 1959.

4. *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.

6. *United States Post Office and Courthouse, Nome, Alaska.*—A contract for construction of a new post office and courthouse at Nome, Alaska, was awarded in July 1956. Completion of construction is scheduled for January 1959 at a cost of $1.3 million.

Object Classification

		1958 actual	1959 estimate	1960 estimate
02	Travel	$139	$2,000	
03	Transportation of things	535	1,000	
06	Printing and reproduction	1,705		
07	Other contractual services	28,388	22,367	
10	Land and structures	798,715	780,090	
	Total obligations	829,482	805,457	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Additions to Natural History Building," Smithsonian Institution.
"Animal disease laboratory facilities," Agricultural Research Service.
"Bureau of Engraving and Printing fund."
"Construction and development, additional Washington airport," Federal Aviation Agency.
"Construction and equipment, maximum security building," Saint Elizabeths Hospital.
"Construction and equipment of treatment building," Saint Elizabeths Hospital.
"Construction and equipment, treatment and cafeteria building," Saint Elizabeths Hospital.
"Construction," Central Intelligence Agency.
"Construction," Gallaudet College.
"Construction," National Park Service.
"Construction, Washington National Airport," Federal Aviation Agency.
"Construction of animal quarters," Public Health Service.
"Construction of biologics standards laboratory building," Public Health Service.
"Construction of buildings," Howard University.
"Construction of buildings (liquidation of contract authorization)," Howard University.
"Construction of dental research building," Public Health Service.
"Construction of facilities," 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.
"Establishment of air-navigation facilities," Federal Aviation Agency.
"Extension and remodeling, State Department Building."
"General office building," Public Health Service.
"Government Printing Office revolving fund."
"Limitation on construction, Bureau of Old-Age and Survivors Insurance."
"Major repairs and preservation of buildings and grounds," Saint Elizabeths Hospital.
"Museum of History and Technology," Smithsonian Institution.
"Plant and equipment," National Bureau of Standards.
"Research and development," Office of Civil and Defense Mobilization.
"Salaries and expenses," Agricultural Research Service.
"Salaries and expenses," Office of Civil and Defense Mobilization.
"Salaries and expenses," Smithsonian Institution.
"Surveys, investigations, and research," Geological Survey.

Permanent authorizations:

EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

(Indefinite special fund)

Appropriated (est.) 1959, **$900,000** Estimate 1960, **$1,000,000**

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance brought forward	$7,445,114	$10,002,920	$4,900,000
Receipts, net	3,276,421	−4,202,920	1,200,000
Unobligated balance returned to unappropriated receipts	6,553		
Total available for appropriation	10,728,088	5,800,000	6,100,000
Deduct appropriation	725,168	900,000	1,000,000
Unappropriated balance carried forward	10,002,920	4,900,000	5,100,000

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Appraisers' fees and surveying	$338,865	$375,000	$375,000
2. Auctioneers' and brokers' fees	226,587	300,000	350,000
3. Advertising	159,716	225,000	275,000
Total obligations	725,168	900,000	1,000,000
Financing:			
Appropriation (new obligational authority)	725,168	900,000	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 of appraisers, auctioneers, and brokers 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 (40

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U. S. C. A. 485 (b)). Sales by auctioneers amounted to $6.1 million in 1958 and are estimated at $15 million in 1959 and $16 million in 1960.

Gross receipts from all sources were $27,778,424 in 1958 and are estimated to be $19,000,000 in both 1959 and 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
06 Printing and reproduction	$1,487	$3,000	$3,000
07 Other contractual services	723,681	897,000	997,000
Total obligations	725,168	900,000	1,000,000

Public enterprise funds:

COST OF MAINTENANCE, REPAIR, ETC., OF IMPROVEMENTS, PUBLIC BUILDINGS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating expense (total program costs)	$11,779		
Relation of costs to obligations: Obligations incurred for costs of other years, net	950		
Total program (obligations)	12,729		
Financing:			
Amounts becoming available: Revenue and receipts: Rentals	560,705		
Recovery of prior year obligations		$1,238	
Unobligated balance brought forward	543,106	547,688	
Total amounts available	1,103,811	548,926	
Capital transfer (payment of profits to Treasury) (−)	−543,394	−548,926	
Unobligated balance carried forward	−547,688		
Financing applied to program	12,729		

Operating expense.—Prior to 1959 rentals received from occupants of sites or improvements thereon acquired for future construction of Federal buildings were used for necessary maintenance, repairs, and alterations. In 1959 expense will be borne by and rentals deposited into the buildings management fund (72 Stat. 1709). In discontinuing this fund all profits will be returned to the Treasury. In 1958, $543,394 was returned and the remaining amount, estimated at $548,926, will be returned 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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$288	$1,238		
Selected resources at start of year (−)		−288	−$1,238	
Increase or decrease (−) in selected resources		950	−1,238	
Recovery of prior year obligations			1,238	
Obligations incurred for costs of other years, net		950		

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$11,779		
Increase in selected working capital		$5,841	
Total gross expenditures	11,779	5,841	
Receipts from operations (funds provided):			
Revenue	560,705		
Decrease in selected working capital	6,595		
Total receipts from operations	567,300		
Budget expenditures	−555,521	5,841	

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$560,705		
Expense	11,779		
Net income for the year	548,926		
Analysis of retained earnings:			
Retained earnings, beginning of year	543,394	$548,926	
Payment of profits to Treasury (−)	−543,394	−548,926	
Retained earnings, end of year	548,926		

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$554,767		
Accounts receivable, net	10,541		
Total assets	565,308		
Liabilities:			
Current	16,382		
Government investment:			
Retained earnings	548,926		

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$542,640	$554,767		
Obligated balance, net:				
Current liabilities	21,956	16,382		
Unpaid undelivered orders	288	1,238		
Accounts receivable, net, and cash in transit (−)	−22,710	−10,541		
Total obligated balance	−466	7,079		
Unobligated balance	543,106	547,688		

Object Classification

	1958 actual	1959 estimate	1960 estimate
05 Rents and utility services	$156		
07 Other contractual services	10,194		
08 Supplies and materials	1,429		
Total costs	11,779		
Increase in unpaid undelivered orders	950		
Total obligations	12,729		

MAINTENANCE, ETC., LAFAYETTE BUILDING, WASHINGTON, D. C., PUBLIC BUILDINGS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operations, protection, and maintenance (total costs—obligations)	$7,712		
Financing:			
Amounts becoming available: Revenue and receipts: Rentals	41,605		
Unobligated balance brought forward	35,261	$33,893	
Total amounts available	76,866	33,893	
Capital transfer (payment of profits to Treasury) (−)	−35,261	−33,893	
Unobligated balance carried forward	−33,893		
Financing applied to program	7,712		

Prior to 1959 rentals received from commercial occupants were used for maintenance and repair. In 1959 expense will be borne by and rentals deposited into the buildings management fund (72 Stat. 1709). In discontinuing this fund all profits will be returned to the Treasury. In 1958, $35,261 was returned and the remaining amount, estimated at $33,893, will be returned in 1959.

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REAL PROPERTY ACTIVITIES—Continued

Public enterprise funds—Continued

MAINTENANCE, ETC., LAFAYETTE BUILDING, WASHINGTON, D. C., PUBLIC BUILDINGS—Continued

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$7,712		
Receipts from operations (funds provided):			
Revenue	41,605		
Decrease in selected working capital		$488	
Total receipts from operations	41,605	488	
Budget expenditures	−33,893	−488	

Revenue, Expense, and Retained Earnings

Revenue	$41,605		
Expense	7,712		
Net income for the year	33,893		
Analysis of retained earnings:			
Retained earnings, beginning of year	35,261	$33,893	
Payment of profits to Treasury (−)	−35,261	−33,893	
Retained earnings, end of year	33,893		

Financial Condition

Assets:			
Cash with Treasury	$33,405		
Accounts receivable, net	1,300		
Total assets	34,705		
Liabilities:			
Current	812		
Government investment:			
Retained earnings	33,893		

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$34,773	$33,405		
Obligated balance, net:				
Current liabilities	812	812		
Accounts receivable, net (−)	−1,300	−1,300		
Total obligated balance	−488	−488		
Unobligated balance	35,261	33,893		

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$7,712		

Intragovernmental funds:

BUILDINGS MANAGEMENT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Operation and protection of Government-owned space	$71,126,452	$75,200,000	$77,500,000
2. Rental, operation, and protection of leased space	73,165,579	78,800,000	81,400,000
3. Operation and protection of purchase contract space	58,741	94,000	752,000
4. Moving and alterations	1,587,320	1,900,000	2,165,000
5. Operation of communication facilities	17,010,889	17,894,800	18,431,800
6. Maintenance of industrial reserve and surplus properties	$661,432	$911,200	$2,911,200
7. Security guarding	4,870,529	5,000,000	5,000,000
8. Maintenance repairs (repair and improvement)	10,313,954	9,500,000	9,500,000
9. Job order work:			
Major projects (repair and improvement)	19,439,239		
Other General Services Administration	5,890,521	6,800,000	6,800,000
Other agencies	17,105,224	17,800,000	18,000,000
10. Temporary space incident to new buildings			1,840,000
Other	67,878		
Adjustment of prior year expense	−86,578		
Gain (−) on disposal of equipment, net	−27,420		
Total operating costs	221,183,760	213,900,000	224,300,000
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−348,631	−350,000	−350,000
Other	27,420		
Total operating costs, funded	220,862,549	213,550,000	223,950,000
Capital outlay: Acquisition of equipment	335,231	350,000	350,000
Total program costs, funded	221,197,780	213,900,000	224,300,000
11. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−11,288,876	
Obligations incurred for costs of other years, net	24,457,378		
Total program (obligations)	245,655,158	202,611,124	224,300,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of goods and services	221,641,991	214,400,000	224,800,000
Increase or decrease (−) in accepted orders on hand	15,583,565	−8,795,225	
Sale of equipment	7,011		
Adjustment of prior year income	−92,989		
Other revenue	32,900		
Total amounts becoming available	237,172,478	205,604,775	224,800,000
Unobligated balance brought forward	6,640,294	−2,074,805	520,562
Total amounts available	243,812,772	203,529,970	225,320,562
Capital transfer (payment of earnings to Treasury) (−)	−232,419	−398,284	−500,000
Unobligated balance carried forward	2,074,805	−520,562	−520,562
Financing applied to program	245,655,158	202,611,124	224,300,000

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; recurring repair 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; maintenance and repair of sites or improvements thereon reserved for future construction of Federal buildings and of space occupied by commercial tenants; 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.

Program costs for 1960 are estimated at $224.3 million, a net increase of $10.4 million over 1959.

1. *Operation and protection of Government-owned space.*—Provides for operation and protection of 75,500,000 average square feet of space in 1960 compared to 74,300,000 square feet in 1959 and 74,191,973 in 1958. The change from 1959 reflects additional space to be serviced due to construction of new buildings and certain space presently housing postal activities which is being vacated by the Post Office Department.

2. *Rental, operation, and protection of leased space.*—Provides for 37,100,000 average square feet in 1960 compared to 36,600,000 in 1959 and 35,780,194 in 1958, based on currently projected programs of Federal agencies.

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3. *Operation and protection of purchase contract space.*—Provides for 577,000 average square feet in 1960 for operation of the post office and courthouse building at Rock Island, Ill., and 26 other purchase contract buildings scheduled for completion during 1960.

4. *Moving and alterations.*—Provides for minimum of moving and alterations 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.

6. *Maintenance of industrial 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 6 in 1958 and are programed at 8 and 6, respectively, in 1959 and 1960. Surplus properties totaled 25 in 1958 and are estimated at 24 and 32, respectively, in 1959 and 1960.

7. *Security guarding.*—Provides extra guarding service for other agencies where specifically authorized by law.

8. *Maintenance repairs.*—Provides for recurring repairs to General Services Administration operated buildings, Public Health Service hospitals and other Government buildings not operated by General Services Administration.

9. *Job order work.*—Special services and improvements to buildings performed for other agencies are provided under this heading. Under current policy this item also includes personal services and other incidental expenses of employees performing architectural and engineering services in connection with air conditioning and major improvement work although the basic contract is financed directly from the "Repair and improvement, federally owned buildings" appropriation.

10. *Temporary space incident to new buildings.*—Provides rents, alterations, etc., incident to setting up temporary quarters for agencies that must be moved to make way for demolition due to new building construction and moving agencies into temporary space or completed buildings.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Advances	$25,649	$1,735	$1,500	$1,500
Inventories, supplies, and materials	2,513,321	2,770,345	2,700,000	2,700,000
Inventory, work in process	2,787,102	6,109,682	6,100,000	6,100,000
Deferred charges	59,887	13,516	13,000	13,000
Unpaid undelivered orders	15,260,039	36,208,098	25,000,000	25,000,000
Total selected resources at end of year	20,645,998	45,103,376	33,814,500	33,814,500
Selected resources at start of year (−)		−20,645,998	−45,103,376	−33,814,500
Costs financed from obligations of other years, net (−)			−11,288,876	
Obligations incurred for costs of other years, net		24,457,378		

Operating results and financial condition.—At the end of 1958 the net investment in the fund was $8.3 million, composed of $3.5 million appropriated, $4.4 million capitalized assets, and $0.4 million retained earnings.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$335,231	$350,000	$350,000
Expense	220,862,549	213,550,000	223,950,000
Adjustment of prior year transactions	92,989		
Increase in selected working capital		405,199	400,000
Total gross expenditures	221,290,769	214,305,199	224,700,000

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Revenue	$221,674,891	$214,400,000	$224,800,000
Proceeds from sale of equipment	7,011		
Decrease in selected working capital	1,429,578		
Total receipts from operations	223,111,480	214,400,000	224,800,000
Budget expenditures	−1,820,711	−94,801	−100,000

Revenue, Expense, and Retained Earnings

Revenue	$221,674,891	$214,400,000	$224,800,000
Expense	221,229,880	213,900,000	224,300,000
Net operating income	445,011	500,000	500,000
Nonoperating loss (−):			
Proceeds from sale of equipment	7,011		
Net book value of assets sold (−)	−9,904		
Net loss (−) from sale of equipment	−2,893		
Other nonoperating expense, net (−)	−67,878		
Inventory adjustment of equipment	7,032		
Equipment transferred from other sources, net	23,281		
Net nonoperating loss (−)	−40,458		
Net income for the year	404,553	500,000	500,000
Analysis of retained earnings:			
Retained earnings, beginning of year	232,419	398,284	500,000
Payment of earnings to Treasury (−)	−232,419	−398,284	−500,000
Adjustment of prior year transactions:			
Affecting expense	86,578		
Affecting revenue	−92,989		
Affecting equipment	142		
Retained earnings, end of year	398,284	500,000	500,000

Financial Condition

Assets:			
Cash with Treasury	$8,824,045	$8,520,562	$8,120,562
Accounts receivable, net	17,930,991	17,500,000	17,700,000
Advances	1,735	1,500	1,500
Work in process	6,109,682	6,100,000	6,100,000
Inventories, supplies, and materials	2,770,345	2,700,000	2,700,000
Deferred charges	13,516	13,000	13,000
Equipment, net	1,605,686	1,605,686	1,605,686
Total assets	37,256,000	36,440,748	36,240,748
Liabilities:			
Current	28,916,968	28,000,000	27,800,000
Government investment:			
Non-interest-bearing capital	7,940,748	7,940,748	7,940,748
Retained earnings	398,284	500,000	500,000
Total Government investment	8,339,032	8,440,748	8,440,748

NOTE.—Excludes nonfunded leave liability as follows: 1958, $8,543,553; 1959, $8,543,600; 1960, $8,544,000.

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$7,235,753	$8,824,045	$8,520,562	$8,120,562
Obligated balance, net:				
Current liabilities	19,045,128	28,916,968	28,000,000	27,800,000
Unpaid undelivered orders	15,260,039	36,208,098	25,000,000	25,000,000
Accepted orders on hand (−)	−20,711,660	−36,295,225	−27,500,000	−27,500,000
Accounts receivable, net, and cash in transit (−)	−12,998,048	−17,930,991	−17,500,000	−17,700,000
Total obligated balance	595,459	10,898,850	8,000,000	7,600,000
Unobligated balance	6,640,294	−2,074,805	520,562	520,562

Object Classification

	1958 actual	1959 estimate	1960 estimate
GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	19,945	20,100	20,465
Full-time equivalent of other positions	477	475	475
Average number of all employees	19,639	19,805	19,959
Number of employees at end of year	19,840	19,535	20,500

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REAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

BUILDINGS MANAGEMENT FUND—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
GENERAL SERVICES ADMINISTRATION—con.			
Average GS grade and salary	4.4 $4,273	4.4 $4,751	4.4 $4,747
Average salary of ungraded positions	$3,937	$4,135	$4,185
01 Personal services:			
Permanent positions	$79,339,636	$83,955,000	$84,951,400
Positions other than permanent	1,752,430	1,710,000	1,710,000
Other personal services	3,469,988	3,588,000	3,918,600
Total personal services	84,562,054	89,253,000	90,580,000
02 Travel	23,033	20,000	20,000
03 Transportation of things	215,331	200,000	200,000
04 Communication services	12,434,461	12,900,000	13,400,000
05 Rents and utility services	70,722,836	75,980,000	79,800,000
06 Printing and reproduction	133,243	130,000	130,000
07 Other contractual services	35,210,805	17,315,843	21,995,000
Services performed by other agencies	1,287,882	1,200,000	1,200,000
08 Supplies and materials	11,328,029	11,500,000	11,605,000
09 Equipment	335,231	350,000	350,000
11 Grants, subsidies, and contributions	4,646,394	4,800,000	4,800,000
13 Refunds, awards, and indemnities	74,823	75,000	75,000
15 Taxes and assessments	64,303	65,000	65,000
Undistributed:			
Adjustment of prior year expense	−86,578		
Nonoperating expense	67,878		
Total, General Services Administration	221,019,725	213,788,843	224,220,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	5	1	1
Average number of all employees	1	1	1
Number of employees at end of year	2	1	1
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$6,007	$6,505	$6,655
Positions other than permanent	145		
Other personal services	438	55	85
Total personal services	6,590	6,560	6,740
05 Rents and utility services	44		
06 Printing and reproduction	60		
07 Other contractual services	170,640	103,872	72,525
08 Supplies and materials	331	300	300
11 Grants, subsidies, and contributions	390	425	435
Total, Bureau of Public Roads	178,055	111,157	80,000
Total costs	221,197,780	213,900,000	224,300,000
Costs financed from obligations of other years, net (−)		−11,288,876	
Obligations incurred for costs of other years, net	24,457,378		
Total obligations	245,655,158	202,611,124	224,300,000

CONSTRUCTION SERVICES, PUBLIC BUILDINGS

Work performed in acquisition of Federal buildings 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 appropriated, transferred, or advanced to the General Services Administration (40 U. S. C. 296).

Operating expense.—Increase in the service activity of the fund for 1959 and 1960 is to provide for expansion in connection with General Services Administration's public building construction program, including projects previously authorized under the lease-purchase program, the expanded repair and improvement programs and numerous large construction projects assigned to General Services Administration by other Federal agencies.

Operating results.—Retained earnings will be gradually eliminated by reducing charges to individual projects and programs during 1959, 1960, and subsequent years.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$2,003,953	$2,490,000	$2,490,000
Increase in selected working capital		16,000	
Total gross expenditures	2,003,953	2,506,000	2,490,000
Receipts from operations (funds provided):			
Revenue	1,907,198	2,475,000	2,475,000
Decrease in selected working capital	42,558		
Total receipts from operations	1,949,756	2,475,000	2,475,000
Budget expenditures	54,197	31,000	15,000

Revenue, Expense, and Retained Earnings

Revenue	$1,907,198	$2,475,000	$2,475,000
Expense	2,003,953	2,490,000	2,490,000
Net loss (−) for the year	−96,755	−15,000	−15,000
Retained earnings, beginning of year	137,530	40,775	25,775
Retained earnings, end of year	40,775	25,775	10,775

Financial Condition

Assets:			
Cash with Treasury	$256,775	$225,775	$210,775
Accounts receivable, net	216,152	150,000	100,000
Advances	376		
Total assets	473,303	375,775	310,775
Liabilities:			
Current	432,528	350,000	300,000
Government investment:			
Retained earnings	40,775	25,775	10,775

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $1,664.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	210	240	240
Full-time equivalent of all other positions	10	4	
Average number of all employees	206	235	231
Number of employees at end of year	228	238	235
Average GS grade and salary	10.2 $7,589	10.3 $8,522	10.3 $8,540
01 Personal services:			
Permanent positions	$1,455,872	$1,969,240	$1,974,800
Positions other than permanent	32,099	13,140	
Other personal services	8,583	7,620	15,200
Excess of annual leave earned over leave taken	46,956		
Total personal services	1,543,510	1,990,000	1,990,000
02 Travel	3,388	7,500	7,500
03 Transportation of things	1,027	1,200	1,200
04 Communication services	19,961	20,000	20,000
06 Printing and reproduction	21,316	25,000	25,000
07 Other contractual services	14,738	14,500	14,500
Payment to "Administrative operations fund"	282,980	286,800	286,800
08 Supplies and materials	10,631	11,000	11,000
11 Grants, subsidies, and contributions	90,571	128,500	128,500
13 Refunds, awards, and indemnities	2,350	4,000	4,000
15 Taxes and assessments	930	1,500	1,500
Adjustment of prior year expense	12,551		
Total costs	2,003,953	2,490,000	2,490,000
Costs financed from obligations of other years, net (−)		−2,040	
Obligations incurred for costs of other years, net	2,040		
Total obligations	2,005,993	2,487,960	2,490,000

ADVANCES AND REIMBURSEMENTS, REAL PROPERTY ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating expenses, Public Buildings Service (total obligations)	$3,700	$20,000	$20,000
Financing:			
Advances and reimbursements from other accounts	3,700	20,000	20,000

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2		
Number of employees at end of year	0		
Average GS grade and salary	14.5 $12,150		
01 Personal services: Permanent positions	$3,400		
07 Other contractual services	300	$20,000	$20,000
Total obligations	3,700	20,000	20,000

Proposed for later transmission:

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Buildings management (total obligations)		$1,891,000	
Financing:			
Proposed supplemental appropriation		1,891,000	

Under existing legislation, 1959.—It is anticipated that an additional $1,891,000 will be required to annualize in 1959 the increases in wage board rates effected between May 5 and June 30, 1958, and for such increases to be effected during 1959.

PERSONAL PROPERTY ACTIVITIES

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE

For necessary expenses of personal property management and related activities as authorized by law and not otherwise provided [for;] *for*, including not to exceed $300 for the purchase of newspapers and periodicals[; and not to exceed $85,700 for expenses of travel; $3,460,000], *$3,970,000*: *Provided*, That not to exceed [$1,865,000] *$2,230,000* 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 for travel]. (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$5,325,000** Estimate 1960, [a] **$6,200,000**

[a] Includes $121,000 for activities previously carried under "Expenses, supply distribution." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Utilization and sales	$1,551,717	$1,834,000	$2,035,000
2. Supply standards	422,760	437,700	504,900
3. Federal catalog participation	538,573	563,300	563,300
4. Motor vehicle management	209,860	210,300	210,300
5. Supply contracting	753,004	827,200	827,200
6. Supply management	322,473	360,600	360,600
7. Service direction	608,948	674,700	679,700
8. Administrative operations	714,239	976,000	1,019,000
Total obligations	5,121,574	5,883,800	6,200,000
Financing:			
Comparative transfers from (−) other accounts	−76,166	−117,600	
Unobligated balance no longer available	42,592		
New obligational authority	5,088,000	5,766,200	6,200,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation:			
Definite	$3,360,000	$3,460,000	$3,970,000
Indefinite (special fund)	1,600,000	1,865,000	2,230,000
Transferred from—			
"Operating expenses, Public Buildings Service" (71 Stat. 232)	67,000		
"Expenses, supply distribution" (72 Stat. 243)	61,000		
Appropriation (adjusted)	5,088,000	5,325,000	6,200,000
Proposed supplemental due to pay increases		441,200	

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 Federal agencies to accomplish maximum Government utilization and obviate new purchases by transfers of property. The residue, together with surpluses not screened by General Services Administration, is either donated for educational, public health, or civil defense purposes or released for public sale. Utilization transfers amounted to $83.2 million in 1957, $138 million in 1958, and are expected to be $130 million in 1959 and $155 million in 1960. Assistance furnished to the Air Force, Army, Navy, and some civil agencies to increase sales returns involved property amounting to $424.9 million in 1958 and is expected to increase to $495 million in 1959 and $500 million in 1960. Total excesses generated are now exceeding World War II peaks: $3.9 billion in 1957, $7.1 billion in 1958 and are estimated at $8 billion in 1959 and $10 billion in 1960. 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. The increase requested for 1960 will provide for the production of 370 new specifications and 500 major revisions, amendments, and purchase descriptions as compared to 355 and 385, respectively, in 1959, and will increase Federal standards production from 32 in 1959 to 34 in 1960.

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. The military departments have now converted to the exclusive use of this system. General Services Administration has now completed 192,000 items used by General Services Administration and other civil agencies, and this request provides for completing 56,000 additional items in 1960, leaving approximately 650,000 items to be identified.

4. *Motor vehicle management.*—Governmentwide policies and procedures are developed for improving the economy and efficiency of operating motor equipment. Interagency motor pools are established at locations where studies indicate savings and 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	11	13	11
1959	16	17	19
1960	15	15	14
Total	79	74	66

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PERSONAL PROPERTY ACTIVITIES—Continued

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE—Continued

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 operations in Government agencies are developed and their installation coordinated through the conduct of training programs and supply conferences, continuous on-site assistance, and by special surveys as required.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	554	565	596
Full-time equivalent of all other positions	8	3	2
Average number of all employees	516	552	578
Number of employees at end of year	541	583	608
Average GS grade and salary	8.0 $6,019	8.1 $6,733	8.1 $6,725
Average salary of ungraded positions	$4,028	$4,236	$4,236
01 Personal services:			
Permanent positions	$3,220,551	$3,712,700	$3,885,200
Positions other than permanent	49,785	16,900	14,000
Other personal services	33,542	21,900	37,300
Total personal services	3,303,878	3,751,500	3,936,500
02 Travel	146,619	230,700	244,700
03 Transportation of things	5,020	3,700	5,000
04 Communication services	142,573	146,500	158,100
05 Rents and utility services	18,764	25,400	42,400
06 Printing and reproduction	317,046	280,500	294,600
07 Other contractual services	86,076	78,100	81,100
Payment to "Administrative operations fund"	714,239	976,000	1,019,000
Services performed by other agencies	94,208	102,000	106,000
08 Supplies and materials	46,640	34,200	39,200
09 Equipment	43,394	6,600	12,400
11 Grants, subsidies, and contributions	187,332	243,900	256,000
13 Refunds, awards, and indemnities	12,728	2,700	2,700
15 Taxes and assessments	3,057	2,000	2,300
Total obligations	5,121,574	5,883,800	6,200,000

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; *and* not to exceed $250 for purchase of newspapers and periodicals; [and not to exceed $132,500 for expenses of travel; $18,765,000] *$22,000,000. (Independent Offices Appropriation Act, 1959.*

Appropriated 1959, [a] **$18,925,000** Estimate 1960, [b] **$22,000,000**

[a] Includes $160,000 appropriated in Supplemental Appropriation Act, 1959.

[b] Excludes $121,000 for activities transferred in the estimates to "Operating expenses, Federal Supply Service." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Stores activities:			
Stores operations	$6,045,350	$7,234,797	$7,659,500
Space and related costs	2,643,587	3,400,181	3,540,600
2. Buying operations	3,791,503	4,083,926	4,317,900
3. Inspection operations	1,078,077	1,341,229	1,712,000
4. Administrative operations	3,595,025	4,028,000	4,720,000
5. Adjustment of prior year costs	2,291		
Total program costs	17,155,833	20,088,133	21,950,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−305,533	
Obligations incurred for costs of other years (unpaid undelivered orders), net	358,763		50,000
Total program (obligations)	17,514,596	19,782,600	22,000,000
Financing:			
Comparative transfers to other accounts	73,666	117,600	
Unobligated balance no longer available	98,938		
New obligational authority	17,687,200	19,900,200	22,000,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$17,765,000	$18,925,000	$22,000,000
Transferred to—			
"Operating expenses, Federal Supply Service" (72 Stat. 243)	−61,000		
"Operating expenses, Public Buildings Service" (63 Stat. 381)	−16,800		
Appropriation (adjusted)	17,687,200	18,925,000	22,000,000
Proposed supplemental due to pay increases		975,200	

This appropriation provides for expenses of operating the nationwide supply system whereby common-use commodities are sold to Government agencies from stocks in supply depots at 12 locations or by direct delivery from suppliers, whichever is more economical. Most of the costs of commodities sold are initially financed from the general supply fund, subject to reimbursement by ordering agencies. Wherever economical and feasible, costs of commodities furnished directly from the supplier are financed by payment directly from the requisitioning agency appropriation without involving the general supply fund. Total sales for 1960 are programed at $310 million as compared with $319 million programed for 1959, and actual of $225 million for 1958.

The increased orders resulting from advance procurement during 1958 of supplies and materials budgeted for 1959 authorized by Public Law 85–386 caused a distortion in workload and unit costs for both years. A substantial increase in orders toward the close of 1958 greatly taxed the buying staff and cost but did not materialize as sales until early 1959. However, the increase in buying, sales, and other activities is further augmented by a high volume of hand tools for the Air Force ($7.3 million) and household furniture for Capehart and Wherry housing ($35 million) which indicates necessity for a supplemental appropriation currently estimated at $700,000, included as an item under Proposed for later transmission.

1. *Stores activities—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, $120.7 million; 1959 and 1960 estimated at $143.6 million and $150 million, respectively.

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. Total procurement for both purposes in 1960 is estimated at $316.8 million compared to $306.1 million in 1959 and actual purchases of $268.7 million in 1958.

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.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $96,770; 1958, $455,533; 1959, $150,000; 1960, $200,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,758	1,811	1,915
Full-time equivalent of all other positions	46	41	40
Average number of all employees	1,626	1,762	1,879
Number of employees at end of year	1,677	1,852	1,955

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Average GS grade and salary	6.1 $4,839	6.3 $5,472	6.5 $5,653
Average salary of ungraded positions	$4,232	$4,625	$4,648
01 Personal services:			
Permanent positions	$7,521,331	$8,805,100	$9,722,800
Positions other than permanent	203,784	202,200	192,000
Other personal services	267,224	189,900	178,500
Total personal services	7,992,339	9,197,200	10,093,300
02 Travel	109,045	132,500	190,000
03 Transportation of things	408,916	355,664	356,600
04 Communication services	270,806	284,200	344,000
05 Rents and utility services	2,080,204	2,129,772	2,286,300
06 Printing and reproduction	256,307	414,196	399,000
07 Other contractual services	1,423,005	2,245,093	2,332,900
Payment to "Administrative operations fund"	3,595,025	4,028,000	4,720,000
Services performed by other agencies	116,115	123,400	130,000
08 Supplies and materials	267,217	451,825	387,100
09 Equipment	125,075	106,383	35,900
11 Grants, subsidies, and contributions	466,894	577,400	630,200
13 Refunds, awards, and indemnities	36,009	35,600	36,500
15 Taxes and assessments	6,585	6,900	8,200
Adjustment of prior year costs	2,291		
Total costs	17,155,833	20,088,133	21,950,000
Costs financed from obligations of other years, net (−)		−305,533	
Obligations incurred for costs of other years, net	358,763		50,000
Total obligations	17,514,596	19,782,600	22,000,000

Intragovernmental funds:

[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), $6,250,000.] (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$6,250,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Supply distribution:			
(a) Stores items	$134,376,737	$166,500,000	$179,500,000
(b) Nonstores items	60,445,329	124,000,000	102,000,000
2. Motor pools	7,139,753	10,050,000	11,900,000
3. Rehabilitation and repair of furniture and equipment	740,601	1,000,000	1,000,000
4. Equipment rental	233,194	252,000	260,000
5. Undistributed:			
Gain (−) on equipment disposals	−117,943		
Other expense	47,871		
Total operating costs	202,865,542	301,802,000	294,660,000
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−1,791,003	−2,253,000	−3,161,000
Other	114,126		
Total operating costs, funded	201,188,665	299,549,000	291,499,000
Capital outlay:			
1. Supply distribution: (a) Stores items: Acquisition of materials handling and laboratory equipment	409,621	650,000	450,000
2. Motor pools:			
Acquisition of motor vehicles [1]	5,123,007	7,952,000	9,070,000
Acquisition of equipment	161,308	100,000	100,000
Total capital outlay	5,693,936	8,702,000	9,620,000
Total program costs, funded	206,882,601	308,251,000	301,119,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−23,961,655	
Obligations incurred for costs of other years, net	71,690,402		7,350,000
Total program (obligations)	278,573,003	284,289,345	308,469,000
Financing:			
Amounts becoming available:			
Appropriation:			
Authorized	12,500,000	6,250,000	
Proposed for later transmission		15,000,000	

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Amounts becoming available—Con.			
Revenue and receipts:			
Sale of goods	$195,571,225	$291,000,000	$282,000,000
Sale of services	8,396,894	11,402,000	13,260,000
Increase or decrease (−) in accepted orders on hand	48,139,571	−24,209,795	900,000
Sale of equipment	665,286	850,623	1,090,000
Other revenue	1,074,424	1,800,000	1,800,000
Total amounts becoming available	266,347,400	302,092,828	299,050,000
Unobligated balance brought forward	11,651,991	−1,653,913	13,977,718
Total amounts available	277,999,391	300,438,915	313,027,718
Capital transfer (payment of earnings to Treasury) (−)	−1,080,301	−2,171,852	−2,400,000
Unobligated balance carried forward	1,653,913	−13,977,718	−2,158,718
Financing applied to program	278,573,003	284,289,345	308,469,000

[1] Excludes property transfers in without charge as follows: 1958, $1,837,335; 1959, $1,800,000; and 1960, $1,800,000.

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.

Operations.—The estimate for 1960 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, and a slight increase in civilian agency sales. Activation of additional interagency motor equipment pools programed for 1960 is expected to produce substantial increase in sales of services, eliminate some 400 vehicles from agencies' fleets, and increase average miles per vehicle year.

1. *Supply distribution—(a) Stores items.*—Common-use commodities are purchased in volume and stored in supply depots for issue to Government agencies. An increasing amount of large volume orders of stores items are being shipped direct from suppliers to customer agencies to reduce handling costs. Sales reached an all-time high in 1958 and are estimated to increase in 1959 and 1960, as follows:

[In millions]

	Depot stock	*Fuel yard*	*Direct delivery*	*Total*
1958	$115.5	$5.2	$14.4	$135.1
1959	138.1	5.5	23.4	167.0
1960	144.5	5.5	30.0	180.0

(*b*) *Nonstores items.*—Definite quantity requirements of commodities which are not susceptible to economical stocking in supply depots are purchased for direct shipment to customer agencies. Sales through the fund are expected to increase from $60.4 million in 1958 to $124 million in 1959 and $102 million in 1960, as additional commodities are supplied through this method. The distortion in sales in 1959 as compared to 1958 and 1960 represents deliveries resulting from advance procurement orders placed late in 1958.

2. *Motor pools.*—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. Sales are expected to increase from $7.4

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PERSONAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

[GENERAL SUPPLY FUND]—Continued

million in 1958 to $10.2 million in 1959 and $12 million in 1960. The increase in sales is due to activation of additional motor pools from 33 in 1958 to 52 in 1959 and 66 in 1960.

3. *Rehabilitation and repair of furniture and equipment.*—Furniture and equipment repair services, provided through commercial sources wherever feasible and economical, are expected to increase only slightly from $0.7 million in 1958 to $1 million in 1959 and $1 million in 1960.

4. *Equipment rental.*—Operating equipment, necessary to carry out the supply distribution activity, is acquired and charged on an accrual basis to using activities. Collections from using activities are expected to remain relatively stable at $0.26 million in 1960.

5. *Undistributed.*—Gain or losses on equipment disposals, adjustments between fiscal years, inventory write-offs, and discounts are reflected. In 1958, the net gain applied to operating income was $1 million.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Advances	$61,442	$4,685		
Inventories for sale	37,259,578	41,364,967	$51,000,000	$57,000,000
Deferred charges	2,603	149,790	300,000	450,000
Unpaid undelivered orders	39,947,630	107,442,213	73,700,000	74,900,000
Total selected resources at end of year	77,271,253	148,961,655	125,000,000	132,350,000
Selected resources at start of year (−)	−77,271,253	−148,961,655	−125,000,000	
Costs financed from obligations of other years, net (−)			−23,961,655	
Obligations incurred for costs of other years, net		71,690,402		7,350,000

Operating results and financial condition.—The investment of the Government in the fund at June 30, 1958, was $81.8 million, of which $74.5 million represents direct appropriations, $5.1 million donated assets, and retained earnings of $2.2 million. Expansion in sales during 1959 of $98.4 million will necessitate additional capital of $15 million for financing, which is included in the budget as a supplemental proposed for later transmission.

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.

Any operating surplus, as determined by General Accounting Office audit, must be returned to Treasury as miscellaneous receipts. Payments made in 1959 amount to $2,171,852.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Supply distribution:			
Stores items:			
Acquisition of equipment	$409,621	$650,000	$450,000
Purchase of commodities for sale	138,482,126	176,135,033	185,500,000
Nonstores items: Purchase of commodities for sale	60,445,329	124,000,000	102,000,000
Motor pools:			
Acquisition of motor vehicles	5,123,007	7,952,000	9,070,000
Acquisition of equipment	161,308	100,000	100,000
Operating expense	5,578,639	8,050,000	9,000,000
Rehabilitation and repair of furniture and equipment: Operating expense	740,089	999,000	999,000
Undistributed: Operating expense	47,871		
Increase in selected working capital	5,008,407	12,088,441	
Total gross expenditures	215,996,397	329,974,474	307,119,000

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Supply distribution:			
Stores items: Revenue	$135,125,963	$167,000,000	$180,000,000
Nonstores items: Revenue	60,445,262	124,000,000	102,000,000
Motor pools: Revenue	7,428,978	10,150,000	12,000,000
Rehabilitation and repair of furniture and equipment: Revenue	734,722	1,000,000	1,000,000
Equipment rental: Revenue	233,194	252,000	260,000
Undistributed receipts:			
Proceeds from sale of equipment	665,286	850,623	1,090,000
Other	1,074,424	1,800,000	1,800,000
Decrease in selected working capital			11,411,000
Total receipts from operations	205,707,829	305,052,623	309,561,000
Budget expenditures	10,288,568	24,921,851	−2,442,000

Revenue, Expense, and Retained Earnings

Supply distribution:			
Stores items:			
Revenue	$135,125,963	$167,000,000	$180,000,000
Expense	134,376,737	166,500,000	179,500,000
Net operating income	749,226	500,000	500,000
Nonstores items:			
Revenue	60,445,262	124,000,000	102,000,000
Expense	60,445,329	124,000,000	102,000,000
Net operating loss (−)	−67		
Motor pools:			
Revenue	7,428,978	10,150,000	12,000,000
Expense	7,139,753	10,050,000	11,900,000
Net operating income	289,225	100,000	100,000
Rehabilitation and repair of furniture and equipment:			
Revenue	734,722	1,000,000	1,000,000
Expense	740,601	1,000,000	1,000,000
Net operating loss (−)	−5,879		
Equipment rental:			
Revenue	233,194	252,000	260,000
Expense	233,194	252,000	260,000
Net operating income or loss (−)			
Undistributed:			
Revenue	1,074,424	1,800,000	1,800,000
Expense	47,871		
Net operating income	1,026,553	1,800,000	1,800,000
Nonoperating income:			
Proceeds from sale of equipment	665,286	850,623	1,090,000
Net book value of assets sold (−)	−549,337	−850,623	−1,090,000
Net gain from sale of equipment	115,949		
Equipment adjustments	−6,252		
Equipment transferred from other sources, net	8,246		
Net nonoperating income	117,943		
Net income for the year	2,177,001	2,400,000	2,400,000
Analysis of retained earnings:			
Retained earnings, beginning of year	1,080,301	2,171,852	2,400,000
Payment of earnings to Treasury (−)	−1,080,301	−2,171,852	−2,400,000
Adjustment of prior year transactions not affecting working capital	−5,149		
Retained earnings, end of year	2,171,852	2,400,000	2,400,000

Financial Condition

Assets:			
Cash with Treasury	$15,829,421	$9,985,718	$10,027,718
Accounts receivable, net	38,930,215	49,710,000	48,413,000
Advances	4,685		
Inventories for sale	41,364,967	51,000,000	57,000,000
Supplies, deferred charges, etc	149,790	300,000	450,000
Equipment, net	12,500,646	19,899,023	27,068,023
Total assets	108,779,724	130,894,741	142,958,741
Liabilities:			
Current	26,981,131	25,818,000	36,082,000
Government investment:			
Non-interest-bearing capital:			
Start of year	65,289,406	79,626,741	102,676,741
Appropriation during year	12,500,000	6,250,000	
Supplemental appropriation proposed for later transmission		15,000,000	
Donations during year	1,837,335	1,800,000	1,800,000
End of year	79,626,741	102,676,741	104,476,741
Retained earnings	2,171,852	2,400,000	2,400,000
Total Government investment	81,798,593	105,076,741	106,876,741

NOTE.—Excludes nonfunded leave liability as follows: 1958, $141,260; 1959, $141,300; and 1960, $142,000.

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Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$14,698,290	$15,829,421	$9,985,718	$10,027,718
Obligated balance, net:				
Current liabilities	28,132,575	26,981,131	25,818,000	36,082,000
Unpaid undelivered orders	39,947,630	107,442,213	73,700,000	74,900,000
Accepted orders on hand	−29,870,224	−78,009,795	−53,800,000	−54,700,000
Accounts receivable, net, and cash in transit (−)	−35,163,682	−38,930,215	−49,710,000	−48,413,000
Total obligated balance	3,046,299	17,483,334	−3,992,000	7,869,000
Unobligated balance	11,651,991	−1,653,913	13,977,718	2,158,718

Object Classification

	1958 actual	1959 estimate	1960 estimate
GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	390	486	586
Full-time equivalent of all other positions	6		
Average number of all employees	309	425	527
Number of employees at end of year	348	486	586
Average GS grade and salary	6.3 $4,798	6.8 $5,627	6.8 $5,646
Average salary of ungraded positions	$4,966	$5,055	$5,079
Direct costs:			
09 Equipment	$5,693,936	$8,702,000	$9,620,000
Reimbursable costs:			
01 Personal services:			
Permanent positions	1,517,113	2,258,300	2,806,100
Positions other than permanent	29,343		
Other personal services	41,023	8,700	21,600
Excess of annual leave earned over leave taken	4,562	6,800	8,400
Total personal services	1,592,041	2,273,800	2,836,100
02 Travel	37,567	50,000	55,000
03 Transportation of things	6,572	12,100	14,100
04 Communication services	29,116	45,000	60,000
05 Rents and utility services	138,082	200,000	223,000
06 Printing and reproduction	15,738	24,000	30,000
07 Other contractual services	1,181,154	1,904,000	1,904,200
Payment to "Administrative operations fund"	257,461	382,800	382,800
Services performed by other agencies	60,625	200,000	200,000
08 Supplies and materials	2,298,228	3,000,000	3,300,000
Materials supplied to other agencies	194,869,937	290,500,000	281,500,000
11 Grants, subsidies, and contributions	87,755	147,300	183,800
13 Refunds, awards, and indemnities	−2,742	5,000	5,000
15 Taxes and assessments	2,460	5,000	5,000
Total reimbursable costs	200,573,994	298,749,000	290,699,000
Total costs, General Services Administration	206,267,930	307,451,000	300,319,000
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
07 Other contractual services	614,671	800,000	800,000
Total costs	206,882,601	308,251,000	301,119,000
Costs financed from obligations of other years, net (−)		−23,961,655	
Obligations incurred for costs of other years, net	71,690,402		7,350,000
Total obligations	278,573,003	284,289,345	308,469,000

Administrative Expenses, Foreign Aid Procurements

This fund was established to account for expenses incurred rendering foreign aid procurement 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.

Operations.—Program workload arises from purchase authorizations received from the International Cooperation Administration. Services under this account are programed in 1960 at the 1959 level.

Operating results.—Net earnings are retained to insure financing of operating costs notwithstanding fluctuations in operating revenue.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$3,449	$5,000	$5,000
Expense	1,223,241	1,195,000	1,195,000
Increase in selected working capital	248,052		
Total gross expenditures	1,474,742	1,200,000	1,200,000
Receipts from operations (funds provided):			
Revenue	1,127,428	1,100,000	1,100,000
Decrease in selected working capital		118,988	
Total receipts from operations	1,127,428	1,218,988	1,100,000
Budget expenditures	347,314	−18,988	100,000

Revenue, Expense, and Retained Earnings

Revenue	$1,127,428	$1,100,000	$1,100,000
Expense	1,223,241	1,195,000	1,195,000
Net operating loss (−)	−95,813	−95,000	−95,000
Nonoperating loss (−): Equipment transferred out without charge	−3,449	−5,000	−5,000
Net loss (−) for the year	−99,262	−100,000	−100,000
Retained earnings, beginning of year	474,347	375,085	275,085
Retained earnings, end of year	375,085	275,085	175,085

Financial Condition

Assets:			
Cash with Treasury	$259,397	$278,385	$178,385
Accounts receivable, net	211,937	91,700	91,700
Total assets	471,334	370,085	270,085
Liabilities:			
Current	96,249	95,000	95,000
Government investment:			
Retained earnings	375,085	275,085	175,085

NOTE.—Excludes nonfunded leave liability as follows: 1958, $84,330; 1959, $84,400; 1960, $84,400. Unpaid undelivered orders are as follows: June 30, 1957, $3,483; 1958, $2,322; 1959, $3,000; 1960, $3,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	186	133	132
Average number of all employees	150	131	131
Number of employees at end of year	131	133	132
Average GS grade and salary	6.8 $5,198	6.7 $5,629	6.7 $5,649
Average salary of local employees, foreign areas	$1,407		
01 Personal services:			
Permanent positions	$804,350	$729,300	$737,200
Positions other than permanent	5,972	6,000	
Other personal services	16,223	6,700	5,600
Excess of annual leave taken (−) over leave earned	−22,529		
Total personal services	804,016	742,000	742,800
02 Travel	41,652	45,000	43,000
03 Transportation of things	17,015	20,000	18,000
04 Communication services	15,369	23,000	25,000
05 Rents and utility services	2,776	4,000	4,000
06 Printing and reproduction	29,029	35,000	35,000
07 Other contractual services	17,944	23,000	23,000
Payment to "Administrative operations fund"	228,876	233,200	233,200
Services performed by other agencies	11,795	14,000	14,000
08 Supplies and materials	5,101	5,700	6,000
09 Equipment	3,449	5,000	5,000
11 Grants, subsidies, and contributions	46,921	47,600	48,500
13 Refunds, awards, and indemnities	2,415	2,500	2,500
15 Taxes and assessments	332		
Total costs	1,226,690	1,200,000	1,200,000
Costs financed from obligations of other years, net (−)	−1,336		
Obligations incurred for costs of other years, net		678	
Total obligations	1,225,354	1,200,678	1,200,000

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PERSONAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS, PERSONAL PROPERTY ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Civil defense planning	$1,932,602	$2,200,000	$2,200,000
2. Operating expenses, Federal Supply Service	812	4,000	4,000
3. Expenses, supply distribution	824,098	1,300,000	1,300,000
4. Prior year advances returned	150,000		
Total obligations	2,907,512	3,504,000	3,504,000
Financing:			
Unobligated balance brought forward	160,183	14,291	
Advances and reimbursements from other accounts	2,769,640	3,504,000	3,504,000
Recovery of prior year obligations	4,108		
Unobligated balance carried forward	−14,291		
Unobligated balance no longer available	−12,128	−14,291	
Total financing	2,907,512	3,504,000	3,504,000

Object Classification

Total number of permanent positions	238	326	326
Full-time equivalent of all other positions	20	21	20
Average number of all employees	219	303	298
Number of employees at end of year	264	347	347
Average GS grade and salary	4.3 $3,972	4.4 $4,474	4.4 $4,551
Average salary of ungraded positions	$4,444	$4,305	$4,355
01 Personal services:			
Permanent positions	$844,347	$1,243,100	$1,243,100
Positions other than permanent	82,416	89,400	89,400
Other personal services	48,495	41,100	41,100
Total personal services	975,258	1,373,600	1,373,600
02 Travel	13,844	28,400	28,400
03 Transportation of things	78,676	67,800	67,800
04 Communication services	17,809	19,400	19,400
05 Rents and utility services	304,763	279,900	279,900
06 Printing and reproduction	3,094	7,700	7,700
07 Other contractual services	985,095	1,185,000	1,185,000
Payment to "Administrative operations fund"	66,514	70,000	70,000
Services performed by other agencies	43,099	52,000	52,000
08 Supplies and materials	181,049	304,900	304,900
09 Equipment	36,847	20,100	20,100
10 Lands and structures	2,558	3,300	3,300
11 Grants, subsidies, and contributions	41,868	83,400	83,400
13 Refunds, awards, and indemnities	151,660	600	600
15 Taxes and assessments	5,378	7,900	7,900
Total obligations	2,907,512	3,504,000	3,504,000

Proposed for later transmission:

EXPENSES, SUPPLY DISTRIBUTION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Stores operations		$189,600	
2. Buying operations		162,100	
3. Inspection operations		132,300	
4. Administrative operations		300,000	
Total program (costs—obligations)		784,000	
Financing:			
Proposed supplemental appropriation		784,000	

Under existing legislation, 1959.—It is anticipated that an additional $784,000 will be required to handle an increase of $19 million in sales in 1959 over the $300 million sales that can be provided within financing now available, including supplemental for pay increase costs, and to annualize in 1959 the increases in wage board rates effected between May 5 and June 30, 1958, and for such increases to be effected during 1959.

GENERAL SUPPLY FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Supply distribution (total costs—obligations)		$15,000,000	
Financing:			
Proposed supplemental appropriation		15,000,000	

Under existing legislation, 1959.—It is anticipated that a supplemental appropriation of $15 million will be required to increase the capital of the general supply fund to provide adequate financing for the increased volume of sales of stores and nonstores items anticipated during 1959.

RECORDS ACTIVITIES

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 $54,500 for expenses of travel; $7,443,000], *including contractual services incident to movement or disposal of records, $9,300,000. (Independent Offices Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, [a] **$7,475,500** Estimate 1960, **$9,300,000**
Appropriated (adjusted) 1959, [a] **$8,523,500**

[a] Includes $32,500 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Records management and centers	$4,887,692	$5,493,200	$5,657,400
2. Archives and related services	2,295,470	2,808,000	2,808,000
3. Service direction	311,903	362,600	362,600
4. Administrative operations	415,470	472,000	472,000
5. 1959 program obligated in 1958	64,111	−64,111	
Total obligations	7,974,646	9,071,689	9,300,000
Financing:			
Comparative transfers from (−) other accounts	−93,800		
1959 appropriation available in 1958	−64,111	64,111	
Unobligated balance brought forward	−745		
Unobligated balance no longer available	15,010		
New obligational authority	7,831,000	9,135,800	9,300,000
New obligational authority:			
Appropriation	$7,293,000	$7,475,500	$9,300,000
Transferred from—			
"Payments, public buildings purchase contracts" (72 Stat. 243)	258,000		
"Operation and maintenance, Army" (5 U. S. C. 630e)	280,000	581,000	
"Operation and maintenance, Navy" (5 U. S. C. 630e)		467,000	
Appropriation (adjusted)	7,831,000	8,523,500	9,300,000
Proposed supplemental due to pay increases		612,300	

This appropriation provides for basic operations of the General Services Administration which deal with 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 and centers.*—Records of Federal agencies which must be retained for a period of time, but are not needed for frequent reference, are brought into

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and administered in Federal records centers serving specified geographical areas. A national center at St. Louis administers records of former civilian employees of the Government and a locator file for individuals currently employed. In addition to civilian agencies, the centers now furnish records center facilities to the entire naval establishment, the Departments of the Army and Air Force at the seat of government, and for selected Army and Air Force records throughout the world.

The increase in 1960 is to provide for additional workload in regional records centers, as shown in the following table:

	1958 actual	*1959 estimate*	*1960 estimate*
Records administered (millions of cubic feet)	4.1	5.5	5.9
Unit cost per cubic foot of records administered	$0.67	$0.62	$0.59
Reference services, number (millions)	1.9	2.4	2.7

2. *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 and related compilations and the United States Statutes at Large, (*b*) preservation and servicing of historical materials in presidential libraries, and (*c*) servicing the National Historical Publications Commission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,142	1,231	1,237
Full-time equivalent of all other positions	2	3	3
Average number of all employees	1,053	1,178	1,184
Number of employees at end of year	1,093	1,180	1,186
Average GS grade and salary	6.2 $4,899	6.2 $5,496	6.2 $5,551
Average salary of ungraded positions	$4,258	$4,075	$4,131
01 Personal services:			
Permanent positions	$5,267,056	$6,284,200	$6,371,900
Positions other than permanent	42,622	10,000	10,000
Other personal services	45,695	37,500	59,500
Total personal services	5,355,373	6,331,700	6,441,400
02 Travel	48,856	59,500	75,000
03 Transportation of things	52,122	32,800	41,200
04 Communication services	98,028	132,100	132,600
05 Rents and utility services	578,436	664,300	665,000
06 Printing and reproduction	56,146	86,400	86,800
07 Other contractual services	627,009	638,900	657,800
Payment to "Administrative operations fund"	415,470	472,000	472,000
Services performed by other agencies	11,909	24,300	24,300
08 Supplies and materials	162,347	167,700	174,000
09 Equipment	36,159	20,400	19,600
10 Lands and structures	119,467	100,000	100,000
11 Grants, subsidies, and contributions	326,067	395,900	400,200
13 Refunds, awards, and indemnities	20,766	7,700	8,000
15 Taxes and assessments	2,380	2,100	2,100
1959 program obligated in 1958	64,111	−64,111	
Total obligations	7,974,646	9,071,689	9,300,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, RECORDS ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating expenses, National Archives and Records Service (total obligations)	$50,319	$50,000	$50,000
Financing:			
Advances and reimbursements from other accounts	50,319	50,000	50,000

Object Classification

	1958 actual	1959 estimate	1960 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	3	3	3
Average GS grade and salary	4.0 $3,755	4.0 $3,850	4.0 $3,945
01 Personal services:			
Permanent positions	$12,588	$12,860	$12,820
Positions other than permanent	6,087	7,000	7,000
Other personal services	143	140	180
Total personal services	18,818	20,000	20,000
02 Travel	400	2,000	2,000
06 Printing and reproduction	7,564	5,000	5,000
08 Supplies and materials	23,537	23,000	23,000
Total obligations	50,319	50,000	50,000

Proposed for later transmission:

OPERATING EXPENSES, NATIONAL ARCHIVES AND RECORDS SERVICE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Records management and centers (total obligations)		$41,000	
Financing:			
Proposed supplemental appropriation		41,000	

Under existing legislation, 1959.—It is anticipated that an additional $41,000 will be required to annualize in 1959 the increases in wage-board rates effected between May 5 and June 30, 1958, and to pay for such increases effected during 1959.

TRANSPORTATION AND UTILITIES ACTIVITIES

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 $62,750 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 $75 per diem for individuals, [$1,850,000] *$2,029,000.* (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$1,850,000** Estimate 1960, [a] **$2,029,000**

[a] Includes $17,200 for activities previously carried under "Strategic and critical materials." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Transportation services	$1,217,674	$1,344,000	$1,344,000
2. Public utilities management	56,108	72,700	72,500
3. SAGE program participation	42,667	178,700	178,700
4. Service direction	126,096	123,000	123,000
5. Administrative operations	245,194	310,800	310,800
Total obligations	1,687,739	2,029,200	2,029,000
Financing:			
Comparative transfers from (−) other accounts	−5,104	−17,200	
Unobligated balance no longer available	1,365		
New obligational authority	1,684,000	2,012,000	2,029,000

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TRANSPORTATION AND UTILITIES ACTIVITIES—Continued

OPERATING EXPENSES, TRANSPORTATION AND PUBLIC UTILITIES SERVICE—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$1,590,000	$1,850,000	$2,029,000
Transferred from—			
"Operating expenses, Public Buildings Service" (71 Stat. 232)	30,000		
"Payments, public buildings purchase contracts" (72 Stat. 243)	44,000		
"Construction and rehabilitation," Bureau of Reclamation, Department of the Interior (5 U. S. C. 630e)	20,000		
Appropriation (adjusted)	1,684,000	1,850,000	2,029,000
Proposed supplemental due to pay increases		162,000	

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. The request for 1960 will finance this program at the 1959 level.

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.

2. *Public utilities management.*—As a central management function for all agencies, rate and economic studies are made, contracts negotiated, and the Government's interests as a user or consumer of utility services 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 (50 U. S. C. A. 491).

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	204	203	200
	Full-time equivalent of all other positions	4	2	2
	Average number of all employees	185	199	198
	Number of employees at end of year	220	205	202
	Average GS grade and salary	8.4 $6,168	8.6 $7,048	8.6 $7,109
01	Personal services:			
	Permanent positions	$1,168,829	$1,389,400	$1,391,600
	Positions other than permanent	26,573	42,200	41,300
	Other personal services	18,586	7,200	11,100
	Total personal services	1,213,988	1,438,800	1,444,000
02	Travel	26,913	62,750	62,750
03	Transportation of things	238	300	300
04	Communication services	25,202	27,800	27,800
06	Printing and reproduction	22,152	31,900	31,900
07	Other contractual services	30,960	23,000	23,000
	Payment to "Administrative operations fund"	245,194	310,800	310,800
	Services performed by other agencies	5,691	2,400	2,400
08	Supplies and materials	15,834	29,000	28,850
09	Equipment	24,094	7,800	4,300
11	Grants, subsidies, and contributions	72,757	90,300	91,400
13	Refunds, awards, and indemnities	4,180	3,550	700
15	Taxes and assessments	536	800	800
	Total obligations	1,687,739	2,029,200	2,029,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows: "Emergency fund for the President, national defense."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, TRANSPORTATION AND UTILITIES ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating expenses, Transportation and Public Utilities Service (total obligations)	$26,177	$31,000	$31,400
Financing:			
Advances and reimbursements from other accounts	26,177	31,000	31,400

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	6	6	6
	Average number of all employees	4	6	6
	Number of employees at end of year	4	6	6
	Average GS grade and salary	7.7 $6,061	6.3 $5,131	6.3 $5,224
01	Personal services:			
	Permanent positions	$24,618	$28,600	$28,800
	Other personal services	205	100	200
	Total personal services	24,823	28,700	29,000
04	Communication services	69	600	600
07	Other contractual services	45	150	150
08	Supplies and materials		250	250
11	Grants, subsidies, and contributions	1,240	1,300	1,400
	Total obligations	26,177	31,000	31,400

DEFENSE MATERIALS ACTIVITIES

STRATEGIC AND CRITICAL MATERIALS

[For necessary expenses in] *Funds available for* carrying out the provisions of the Strategic and Critical Materials Stock Piling Act [of July 23, 1946, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), not to exceed $3,362,000 for operating expenses, not to exceed $96,000 for expenses of travel, and necessary expenses] (*50 U. S. C. 98–98b*), *during the current fiscal year, shall be available* for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of strategic 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)) [$3,000,000, to remain available until expended], *and for carrying out the provisions of the National Industrial Reserve Act of 1948 (50 U. S. C. 451–462), relating to machine tools and industrial manufacturing equipment for which the General Services Administration is responsible, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and not to exceed $3,310,000 for operating expenses: Provided,* That any funds received as proceeds from sale or other disposition of materials on account of the rotation of stocks under [said] *the Strategic and Critical Materials Stock Piling* 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] *section* 6 (a) of the *Strategic and Critical Materials Stock Piling* 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, 1959.*)

Appropriated 1959, **$3,000,000**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of materials:			
(a) New materials	$80,756,550	$11,880,500	$6,527,000
(b) Upgrading materials	2,299,163	7,005,000	2,676,000
Total, acquisition of materials	83,055,713	18,885,500	9,203,000
2. Inventory management:			
(a) Rotation of materials	40,161,541	63,751,000	49,431,000
(b) Storage of materials	13,230,000	15,093,896	14,553,000
(c) Physical inventorying	3,206,775	5,038,500	4,531,000
Total, inventory management	56,598,316	83,883,396	68,515,000
3. National industrial equipment reserve:			
(a) Transportation, processing, and storage	470,842	1,516,500	2,522,000
(b) Expansion of facilities	95,386	1,397,000	1,990,000
Total, national industrial equipment reserve	566,228	2,913,500	4,512,000
4. Operating expenses:			
(a) Service direction	111,615	162,000	164,000
(b) Program	1,799,182	2,002,300	1,989,000
(c) Administrative operations	1,428,726	1,438,700	1,157,000
Total, operating expenses	3,339,523	3,603,000	3,310,000
Total obligations	143,559,780	109,285,396	85,540,000
Financing:			
Comparative transfers from (—) other accounts	−563,554	−2,893,800	
Unobligated balance brought forward	−198,559,846	−144,086,596	−96,500,000
Advances and reimbursements from—			
Other accounts	−632,614	−513,000	−505,000
Non-Federal sources	−36,221,364	−55,292,000	−43,295,000
Recovery of prior year obligations	−51,668,998		
Unobligated balance carried forward	144,086,596	96,500,000	54,760,000
Appropriation (new obligational authority)		3,000,000	

NOTE.—Reimbursements from non-Federal sources are from sale of perishable materials under the rotation program (50 U. S. C. 98), $36,221,232; and refund of employee terminal leave payments (5 U. S. C. 61 (b)), $132.

The Defense Materials Service acquires and administers national stockpile inventories pursuant to the Strategic and Critical Materials Stock Piling Act, 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 Civil and Defense Mobilization. This Service also administers the inventory of machine tools and industrial manufacturing equipment established under the National Industrial Reserve Act of 1948. The Department of Defense makes selections for the reserve and provides program guidance.

National stockpile objectives have been substantially reduced in line with the changed concept as to the probable duration of a national emergency from a 5-year to a 3-year basis. Open market purchases are reduced accordingly and no reimbursable transfers are provided for from other strategic materials programs such as Commodity Credit Corporation barter or defense production expansion.

Funds available from prior years appropriations estimated at $96.5 million, will finance the acquisition of $6.5 million of additional materials in the open market against basic objectives of the national stockpile, $2.7 million for the upgrading of existing material, $25.2 million for custody and rotation of existing inventories, $4.5 for national industrial equipment reserve administration, and $3.3 for operating expenses.

The data below reflects in composite the extent to which national stockpile objectives as of December 1, 1958, are provided for: (1) from financing under the Strategic and Critical Materials Stock Piling Act, and (2) under all U. S. Government programs involving strategic materials.

The basic objectives are valued at $2,823.5 million and the maximum objectives are valued at $4,317.6 million. June 30, 1958, prices have been used.

STATUS OF ACQUISITION

[In millions]

	1958 actual		*1959 estimate*		*1960 estimate*	
	National stockpile	*All Government programs*	*National stockpile*	*All Government programs*	*National stockpile*	*All Government programs*
Material in inventory and on order:						
In inventory:						
Basic objectives	$2,704.3	$2,735.3	$2,721.9	$2,760.7	$2,728.6	$2,768.3
Maximum objectives	3,555.9	3,661.0	3,593.6	3,782.9	3,609.6	3,819.5
On order:						
Basic objectives	8.7	19.2	0.2	2.8	----	1.8
Maximum objectives	49.2	161.8	23.2	48.9	13.7	18.8
Total:						
Basic objectives	2,713.0	2,754.5	2,722.1	2,763.5	2,728.6	2,770.1
Maximum objectives	3,605.1	3,822.8	3,616.8	3,831.8	3,623.3	3,838.3
Balance to be acquired:						
Basic objectives	110.5	69.0	101.4	59.9	94.9	53.4
Maximum objectives	712.5	494.8	700.8	485.7	694.3	479.2

1. *Acquisition of materials.* (a) *New materials.*—Strategic materials to complete national stockpile objectives are being acquired from the following sources:

OBLIGATIONS

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Open market purchases	$54.4	$9.2	$6.5
Transfer of materials from Commodity Credit Corporation barter operations	19.3	----	----
Transfer of materials from Defense Production Act	7.1	2.7	----
Total	80.8	11.9	6.5

Of material expected to be acquired by free transfer from programs of the International Cooperation Administration in 1959 and 1960, $8.3 million will apply to unfilled stockpile objectives.

Based on national stockpile objectives, and the proposed budget, status of acquisition of the 75 materials now on the national stockpile list is as follows:

NUMBER OF MATERIALS, 1958 ACTUAL

	National stockpile		*All Government programs*	
	Basic objectives	*Maximum objectives*	*Basic objectives*	*Maximum objectives*
Percent completed:				
100	62	48	67	57
90 to 99	3	8	1	3
75 to 89	--	3	1	6
50 to 74	3	7	2	3
25 to 49	5	7	2	4
Under 25	2	2	2	2
Total	75	75	75	75

NUMBER OF MATERIALS, 1960 ESTIMATE

Percent completed:				
100	62	48	67	57
90 to 99	3	8	1	3
75 to 89	--	3	1	6
50 to 74	5	7	4	4
25 to 49	4	8	1	4
Under 25	1	1	1	1
Total	75	75	75	75

(b) *Upgrading materials.*—Stockpiled material is being upgraded to a more usable form where current inventories in such form are not adequate to meet the initial surge of demand under abnormal conditions of intensive mobilization.

2. *Inventory management.*—This covers cost of maintaining the stockpile of strategic materials in prime condition for use in case of emergency, including storage, special preservation, inventorying, rotation, and surplus disposal.

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DEFENSE MATERIALS ACTIVITIES—Continued

STRATEGIC AND CRITICAL MATERIALS—Continued

Inventories of specification grade material at June 30, 1958, prices are valued as follows:

[In millions]

	1958 actual	*1960 estimate*
National stockpile:		
Within basic objectives	$2,704.3	$2,728.6
Within maximum objectives	3,555.9	3,609.6
Excess to objectives	1,858.2	1,901.4
Total national stockpile	5,414.1	5,511.0
U. S. supplemental stockpile	242.7	631.9
Total national and supplemental	5,656.8	6,142.9

(*a*) *Rotation of materials.*—Inventories of perishable materials such as rubber, fibers, and oils are rotated periodically to keep the national stockpile inventory in prime condition. Substantial progress has been made in improving the condition of the materials in recent years so that the volume of rotation is expected to decrease in 1960 from 1959 as shown in the following table:

Description:	*1958 actual*	*1959 estimate*	*1960 estimate*
Gross replacement cost of materials rotated	$40,161,541	$63,751,000	$49,431,000
Receipts from sales of materials rotated	36,221,232	55,292,000	43,295,000
Net cost to appropriation	3,940,309	8,459,000	6,136,000

(*b*) *Storage of materials.*—As of June 30, 1958, strategic materials were stored at 216 locations, including approximately 24 million square feet of closed storage, more than 60 million square feet of open storage, and 2 million barrels of tank storage. Total weight of the national and supplemental stockpiles on June 30, 1958, approximated 27 million tons. Distribution of storage costs is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Recurring storage costs	$9,453,223	$9,957,000	$9,800,000
Nonrecurring storage costs	2,993,757	3,995,500	3,621,000
Relocation transportation and handling	223,248	726,396	647,000
Disposal handling	5,073	15,000	50,000
Net cost to appropriation	12,675,301	14,693,896	14,118,000
Reimbursable operations	554,699	400,000	435,000
Total cost or estimate	13,230,000	15,093,896	14,553,000

(*c*) *Physical inventorying.*—This program was initiated in 1957, and the first cycle is scheduled for completion in its entirety by June 30, 1960. Since many cost elements involved in taking the initial inventory are nonrecurring and more substantial use of sampling techniques will be appropriate in taking subsequent periodic inventory, future costs will be sharply reduced.

3. *National industrial equipment reserve.*—The reserve of Government-owned machine tools and industrial manufacturing equipment authorized by the National Industrial Reserve Act of 1948, consists entirely of items selected by the Secretary of Defense from lists of such property declared excess to the needs of the three military departments and other executive agencies. Excess declarations on production equipment may run as high as 20,000 items per year for the next 2 years and selections therefrom for the National Industrial Equipment Reserve are now estimated at 6,500 items per year.

(*a*) *Transportation, processing, and storage.*—Covers generally nonrecurring cost of transportation, handling, and processing of tools and equipment for long-term storage, and recurring cost of storage. While item receipt is expected to increase by only 30% from 5,000 to 6,500 in 1960 over 1959, the most expensive action, processing, is expected to increase by more than 250% from 1,182 to 3,000 items in 1960 over 1959.

(*b*) *Expansion of facilities.*—Predicted receipts of reserve equipment in 1959 can be stored with a carryover into 1960 of 150,000 square feet of unused space. Receipts in 1960 and 1961 will require 520,000 square feet each year. The 1960 estimate provides for initial cost of 630,000 square feet of additional dehumidified storage space at two locations covering the remaining requirements in 1960, as well as 260,000 square feet or one-half of the space required for 1961 receipts.

4. *Operating expenses.*—Covers all expenses at the central and regional office levels for administering programs financed under this appropriation head including the Defense Materials Service and the integrated staff offices of General Services Administration. Decrease in workload in 1960 from 1959 will be limited. However, better supervision and increased economies due to mechanization and improved operation methods will permit an overall reduction of $293,000 in 1960 from 1959.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	523	606	728
	Full-time equivalent of all other positions	192	146	62
	Average number of all employees	647	690	755
	Number of employees at end of year	649	680	770
	Average GS grade and salary	7.4 $5,837	7.6 $6,471	7.6 $6,501
	Average salary of ungraded positions	$4,705	$4,841	$4,879
01	Personal services:			
	Permanent positions	$2,551,882	$3,152,900	$3,912,000
	Positions other than permanent	821,497	621,200	275,000
	Other personal services	39,915	33,800	31,700
	Total personal services	3,413,294	3,807,900	4,218,700
02	Travel	74,653	105,000	112,000
03	Transportation of things	7,581,194	6,705,900	4,794,500
04	Communication services	54,891	61,000	64,600
05	Rents and utility services	4,504	5,000	30,000
06	Printing and reproduction	24,669	27,600	30,500
07	Other contractual services	12,123,622	16,763,096	15,532,100
	Payment to "Administrative operations fund"	1,428,726	1,438,700	1,157,000
	Services performed by other agencies	5,374,789	8,571,500	5,286,000
08	Supplies and materials	113,144,652	71,215,700	53,605,400
09	Equipment	93,763	364,400	419,200
10	Lands and structures	60,000		
11	Grants, subsidies, and contributions	157,341	187,200	257,200
13	Refunds, awards, and indemnities	4,551	6,400	7,400
15	Taxes and assessments	19,131	26,000	25,400
	Total obligations	143,559,780	109,285,396	85,540,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, Agricultural Trade Development and Assistance Act of 1954

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$2,194,444		
Unobligated balance no longer available	2,194,444		
Authorization to expend foreign currency receipts (68 Stat. 454)			

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.
"Mutual security," funds appropriated to the President.
"Plant acquisition and construction," Atomic Energy Commission.

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Public enterprise funds:

NOTE.—Expenditures from the following fund for 1959 are subject to the first paragraph of title II of the Independent Offices Appropriations Act, 1959. For 1960 this paragraph is shown in the independent offices chapter, p. 161, preceding Federal Home Loan Bank Board.

ABACA FIBER PROGRAM

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Operating program:			
(a) Cost of fiber sold	$3,775,764	$3,391,913	$2,401,938
(b) Research and development	55,096		
(c) Administrative expenses	49,116	52,500	52,500
(d) Undistributed:			
Writeoff of unamortized plantation development	363,982		
Gain on disposal of assets (−)	−11,504		
Other expense	26,501	230,000	119,800
Total operating program	4,258,955	3,674,413	2,574,238
2. Standby program (maintenance of acreage and other property)	57,660	15,000	
Total operating costs	4,316,615	3,689,413	2,574,238
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−412,228	−300,000	−200,000
Other costs included above not requiring funding (−)	−954,045	−900,000	−1,209,380
Total operating costs, funded	2,950,342	2,489,413	1,164,858
Capital outlay:			
1. Operating program: Replacement of fixed assets	43,270	10,000	2,000
Total program costs, funded	2,993,612	2,499,413	1,166,858
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−171,460	−191,889	−665,359
Total program (obligations)	2,822,152	2,307,524	501,499
Financing:			
Amounts becoming available: Revenue and receipts:			
Sales of fiber	2,902,514	2,703,500	1,160,300
Proceeds from disposal of fixed assets	58,709	300,000	625,000
Other receipts	8,161		
Total amounts becoming available	2,969,384	3,003,500	1,785,300
Unobligated balance brought forward	4,561,584	4,708,816	2,904,792
Total amounts available	7,530,968	7,712,316	4,690,092
Capital transfer (repayment of investment to Treasury) (−)		−2,500,000	−4,188,593
Unobligated balance carried forward	−4,708,816	−2,904,792	
Financing applied to program	2,822,152	2,307,524	501,499

Production and sale of abaca fiber is authorized by the Abaca Production Act of 1950 (50 U. S. C. 541).

The revised planning policy based on an emergency period of 3 years instead of 5 years has greatly reduced mobilization requirements for this item. As a consequence, the Director of Office of Civil and Defense Mobilization, under date of July 21, 1958, requested General Services Administration to terminate the Central America abaca production program but to make every effort to interest private companies or others to continue abaca production for normal industrial consumption.

All efforts to sell the plantations on a going-concern basis have been unsuccessful. Therefore, the cultivations are being liquidated on a butcher-harvest basis, under which the plantings will be completely cut down, and harvested for the final time. This will result in greatly increased per-acre production over prior years, since normally only selected and mature stalks are harvested, the emphasis being on continuity of the plantations. Also, butcher-harvest costs are considerably lower than usual, there being little or no maintenance of the cultivations or other facilities.

The liquidation plan contemplates commencement of butcher-harvest by October 1, 1958, on a two-shift basis (considered maximum efficient load for the factories). This will result in butcher of approximately 400 acres per month at each location. On this basis, the Guatemala plantings, consisting of 3,500 acres, will be completed by June 30, 1959; butchering of the Costa Rica cultivations, consisting of 5,000 acres, will be concluded by March 31, 1960. Sale of the factories and related facilities, having an original cost of approximately $15,000,000 and a present book value of about $3,500,000, is expected to be completed by the end of 1960 or within the first few months of 1961.

Operations.—Fiber production is estimated at 19,134,000 pounds over the 18-month period of butcher-harvest; 13,208,000 pounds in 1959 and 5,926,000 pounds in 1960. Total costs, excluding property losses, are estimated at $2,703,500 and $1,160,300, averaging 20.5 cents and 19.6 cents per pound in 1959 and 1960, respectively. This also represents sales proceeds, the price of fiber sales to the stockpile being predicated upon current program costs.

Because of curtailment of the program and reduction in cash needs for operations, the sum of $2,500,000 was returned from this program to the general fund of the Treasury in September 1958. It is contemplated that at liquidation of the program in 1960, $4,188,593 will be returned to Treasury.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Advances	$495	$100		
Inventories, deferred charges, etc.	992,337	761,272	$665,359	
Unpaid undelivered orders	35,876	95,876		
Total selected resources at end of year	1,028,708	857,248	665,359	
Selected resources at start of year (−)		−1,028,708	−857,248	−$665,359
Costs financed from obligations of other years, net (−)		−171,460	−191,889	−665,359

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Operating program:			
Replacement of fixed assets	$43,270	$10,000	$2,000
Expense:			
Cost of producing fiber for sale	2,717,171	2,096,000	786,000
Other expense	130,218	282,500	172,300
Standby program: Standby maintenance cost	17,616	15,000	
Increase in selected working capital	143,553		
Total gross expenditures	3,051,828	2,403,500	960,300
Receipts from operations (funds provided):			
Operating program:			
Revenue	2,910,675	2,703,500	1,160,300
Undistributed receipts:			
Proceeds from disposal of fixed assets	58,709	300,000	625,000
Decrease in selected working capital		100	456,560
Total receipts from operations	2,969,384	3,003,600	2,241,860
Budget expenditures	82,444	−600,100	−1,281,560

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$2,910,675	$2,703,500	$1,160,300
Expense	3,332,823	2,774,413	1,364,858
Net operating loss (−), operating program	−422,148	−70,913	−204,558
Standby program: Expense (net operating loss (−))	−52,980	−15,000	
Nonoperating loss (−):			
Proceeds from disposal of fixed assets	58,709	300,000	625,000
Net book value of fixed assets disposed (−)	−621,959	−1,200,000	−1,834,380
Net loss (−) from disposal of fixed assets	−563,250	−900,000	−1,209,380

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DEFENSE MATERIALS ACTIVITIES—Continued

Public enterprise funds—Continued

ABACA FIBER PROGRAM—Continued

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Nonoperating loss (−)—Continued			
Writeoff of unamortized plantation development (−)	−$363,982		
Fire loss (−)	−3,580		
Net nonoperating loss (−)	−930,812	−$900,000	−$1,209,380
Net loss (−) for the year	−1,405,940	−985,913	−1,413,938
Deficit (−), beginning of year	−6,871,179	−8,277,119	−9,263,032
Deficit (−), end of year	−8,277,119	−9,263,032	−10,676,970

Financial Condition

Assets:			
Cash with Treasury	$4,806,933	$2,907,033	
Accounts receivable, net	759,908	759,908	
Advances	100		
Commodities for sale	302,471	206,558	
Supplies, deferred charges, etc.	458,801	458,801	
Structures and equipment, net	3,522,380	2,032,380	
Total assets	9,850,593	6,364,680	
Liabilities:			
Current	762,149	762,149	
Government investment:			
Start of year	17,365,563	17,365,563	$14,865,563
Repayment of investment to Treasury (−)		−2,500,000	−4,188,593
End of year	17,365,563	14,865,563	10,676,970
Deficit (−)	−8,277,119	−9,263,032	−10,676,970
Total Government investment	9,088,444	5,602,531	

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$4,889,377	$4,806,933	$2,907,033	
Obligated balance net:				
Current liabilities	1,029,864	762,149	762,149	
Unpaid undelivered orders	35,876	95,876		
Accounts receivable, net, and cash in transit (−)	−737,947	−759,908	−759,908	
Total obligated balance	327,793	98,117	2,241	
Unobligated balance	4,561,584	4,708,816	2,904,792	

LIMITATION ON ADMINISTRATIVE EXPENSES, ABACA FIBER PROGRAM

Not to exceed [$47,000] *$52,500* 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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Program supervision	$35,603	$38,300	$38,300
2. Administrative operations	13,513	14,200	14,200
Total accrued administrative expenses	49,116	52,500	52,500
Financing:			
Unobligated balance no longer available	184		
Limitation	49,300	47,000	52,500
Proposed increase in limitation due to pay increases		5,500	

Object Classification

	1958 actual	1959 estimate	1960 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 $9,638	11.3 $10,629	11.3 $10,629
01 Personal services:			
Permanent positions	$30,073	$31,877	$31,855
Other personal services	123	123	245
Excess of annual leave earned over leave taken	1,762		
Total personal services	31,958	32,000	32,100
02 Travel	944	3,400	3,400
04 Communication services	441	400	300
06 Printing and reproduction	68	100	100
07 Other contractual services	124	100	100
Payment to "Administrative operations fund"	13,513	14,200	14,200
08 Supplies and materials	177	200	200
11 Grants, subsidies, and contributions	1,891	2,100	2,100
Total accrued administrative expenditures	49,116	52,500	52,500

DEFENSE PRODUCTION GUARANTIES, DEFENSE MATERIALS ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Loan guaranty expense (total costs—obligations)	$4,317	$15,300	$12,900
Financing:			
Amounts becoming available: Revenue and receipts: Loan guaranty fees	618,661	761,400	644,600
Unobligated balance brought forward	3,941,346	4,555,690	5,301,790
Total amounts available	4,560,007	5,317,090	5,946,390
Unobligated balance carried forward	−4,555,690	−5,301,790	−5,933,490
Financing applied to program	4,317	15,300	12,900

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).

Guaranties totaling $31.7 million on 3 loans, representing the Government's maximum contingent liability as guarantor, are estimated to be in effect at the end of 1960, compared to $46.5 million and 5 loans on June 30, 1958. Retained earnings are anticipated to be $5.9 million at the end of 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loan guaranty expense	$4,317	$15,300	$12,900
Increase in selected working capital	110,923		
Total gross expenditures	115,240	15,300	12,900
Receipts from operations (funds provided):			
Loan guaranty fees	618,661	761,400	644,600
Decrease in selected working capital		7,000	10,200
Total receipts from operations	618,661	768,400	654,800
Budget expenditures	−503,421	−753,100	−641,900

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Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue: Loan guaranty fees	$618,661	$761,400	$644,600
Expense: Loan guaranty expense	4,317	15,300	12,900
Net income for the year	614,344	746,100	631,700
Retained earnings, beginning of year	3,941,346	4,555,690	5,301,790
Retained earnings, end of year	4,555,690	5,301,790	5,933,490

Financial Condition

Assets:			
Cash with Treasury	$4,378,394	$5,131,494	$5,773,394
Accounts receivable	177,447	170,447	160,247
Total assets	4,555,841	5,301,941	5,933,641
Liabilities:			
Current	151	151	151
Government investment:			
Retained earnings	4,555,690	5,301,790	5,933,490

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$3,874,973	$4,378,394	$5,131,494	$5,773,394
Obligated balance, net:				
Current liabilities	386	151	151	151
Accounts receivable (−)	−66,759	−177,447	−170,447	−160,247
Total obligated balance	−66,373	−177,296	−170,296	−160,096
Unobligated balance	3,941,346	4,555,690	5,301,790	5,933,490

NOTE.—Loan guaranties outstanding, not included above, are as follows: June 30, 1957, $20,806,634; 1958, $46,500,352; 1959, $39,698,500; 1960, $31,693,696.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$4,317	$15,300	$12,900

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, DEFENSE MATERIALS ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Receipt and custody of bartered strategic materials (total obligations)	$4,969,557	$5,200,000	$5,500,000
Financing:			
Advances and reimbursements from Commodity Credit Corporation	4,969,557	5,200,000	5,500,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	60	60	60
Average number of all employees	52	60	60
Number of employees at end of year	54	60	60
Average GS grade and salary	6.5 $4,930	6.5 $5,574	6.5 $5,574
Average salary of ungraded positions	$4,118	$4,305	$4,305
01 Personal services:			
Permanent positions	$269,595	$331,521	$331,442
Other personal services	2,154	1,279	2,558
Total personal services	271,749	332,800	334,000
02 Travel	13,545	15,000	16,000
03 Transportation of things	3,205,409	3,200,000	3,400,000
04 Communication services	5,029	7,700	8,500
05 Rents and utility services	2,436	2,500	2,500
06 Printing and reproduction	3,375	4,000	4,300
07 Other contractual services	592,715	659,700	814,700
Payment to "Administrative operations fund"	93,540	98,100	98,100
Services performed by other agencies	534,377	543,100	484,500
08 Supplies and materials	3,071	13,400	13,700
09 Equipment	727	700	800
10 Lands and structures	226,806	300,000	300,000
11 Grants, subsidies, and contributions	15,531	21,700	21,700
13 Refunds, awards, and indemnities	890	800	700
15 Taxes and assessments	357	500	500
Total obligations	4,969,557	5,200,000	5,500,000

GENERAL ACTIVITIES

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 [$7,000 for expenses of travel, and not to exceed] $250 for purchase of newspapers and periodicals[; $200,000, and in addition, $100,000, which shall be available for carrying out the provisions of Public Law 85– (S. 607): *Provided*, That the Administrator shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of sections (a) and (e) of such Act], *$225,000. (Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$300,000** Estimate 1960, [a] **$225,000**

[a] Excludes $200,000 for activities transferred in the estimate to "Allowances and office facilities for former Presidents." The amounts obligated in 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Executive direction (total obligations)	$186,591	$213,600	$225,000
Financing:			
Comparative transfers to other accounts	60,000	100,000	
Unobligated balance no longer available	13,409		
New obligational authority	260,000	313,600	225,000
New obligational authority:			
Appropriation	$260,000	$300,000	$225,000
Proposed supplemental due to pay increases		13,600	

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	20	20	21
Average number of all employees	18	20	21
Number of employees at end of year	19	20	21
Average GS grade and salary	8.9 $6,928	8.9 $7,704	9.2 $8,097
01 Personal services:			
Permanent positions	$155,097	$178,712	$188,647
Other personal services	2,460	2,788	2,453
Total personal services	157,557	181,500	191,100
02 Travel	4,666	7,000	8,000
04 Communication services	3,911	4,300	4,300
06 Printing and reproduction	2,897	2,900	2,900
07 Other contractual services	4,013	4,000	4,000
Services performed by other agencies	805	800	800
08 Supplies and materials	1,218	1,200	1,300
09 Equipment	2,089		
11 Grants, subsidies, and contributions	9,159	11,800	12,500
13 Refunds, awards, and indemnities	150		
15 Taxes and assessments	126	100	100
Total obligations	186,591	213,600	225,000

ALLOWANCES AND OFFICE FACILITIES FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958 (72 Stat. 838), $200,000: Provided, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of sections (a) and (e) of such Act.

Estimate 1960, [a] **$200,000**

[a] Estimate is for activities previously carried under "Salaries and expenses, Office of Administrator." Amounts obligated in 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Allowances and pensions		$36,500	$70,000
2. Office staff and facilities		63,500	130,000
Total obligations		100,000	200,000

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GENERAL ACTIVITIES—Continued

ALLOWANCES AND OFFICE FACILITIES FOR FORMER PRESIDENTS—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers from (−) other accounts		−$100,000	
Appropriation (new obligational authority)			$200,000

This appropriation provides for allowances, office staff, furnished space, and mailing privileges for two former Presidents and pensions for two widows of former Presidents.

Object Classification

		1958 actual	1959 estimate	1960 estimate
01	Personal services		$44,500	$100,000
04	Communication services		1,000	2,000
07	Other contractual services		8,300	18,700
09	Equipment		7,000	4,000
11	Grants, subsidies, and contributions		2,500	5,000
12	Pensions, annuities, and insurance claims		36,500	70,000
15	Taxes and assessments		200	300
	Total obligations		100,000	200,000

REFUNDS UNDER RENEGOTIATION ACT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Rebate payments	$337,266	$700,000	
2. Refund payments	1,563,367	185,700	
Total program (costs—obligations)	1,900,633	885,700	
Financing:			
Unobligated balance brought forward	−2,768,366	−885,700	
Advances and reimbursements from other accounts	−17,967		
Unobligated balance carried forward	885,700		
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 4,129 claims with payments estimated at some $51,000,000, all but 146 had been settled through June 30, 1958. It is hoped that most of the remaining claims will be settled by the end of 1960 which would require a supplemental appropriation in 1959 of $1,400,000 shown under Proposed for later transmission.

Object Classification

		1958 actual	1959 estimate	1960 estimate
13	Refunds, awards, and indemnities	$1,573,844	$845,700	
14	Interest	326,789	40,000	
	Total obligations	1,900,633	885,700	

Public enterprise funds:

NOTE.—Expenditures from the following funds for 1959 are subject to the first paragraph of title II of the Independent Offices Appropriations Act, 1959. For 1960 this paragraph is shown in the Independent Offices chapter, p. 161, preceding Federal Home Loan Bank Board.

FEDERAL FACILITIES CORPORATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Synthetic rubber program:			
Administrative expenses	$49,967	$26,800	$24,000
Plant expense	1,002,769	980,600	955,600
Other	101,109	44,000	44,000
Total program costs	1,153,845	1,051,400	1,023,600
Unfunded adjustment to total program costs:			
Depreciation included above (−)	−641,586	−625,000	−600,000
Total program costs, funded	512,259	426,400	423,600
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−109,035	−2,135	
Total program (obligations)	403,224	424,265	423,600
Financing:			
Amounts becoming available: Revenue and receipts:			
Synthetic rubber program:			
Sale of equipment	107		
Collection of mortgages receivable	593,079	793,000	943,600
Interest on mortgages receivable	346,375	342,100	309,000
Other revenue	11,315		
Tin program:			
Collection of mortgages receivable	50,000	55,000	80,000
Interest on mortgages receivable	65,969	45,800	43,300
Total amounts becoming available	1,066,845	1,235,900	1,375,900
Unobligated balance brought forward	11,600,737	6,264,358	7,075,993
Total amounts available	12,667,582	7,500,258	8,451,893
Capital transfer (repayment of investment to Treasury) (−)	−6,000,000		
Unobligated balance carried forward	−6,264,358	−7,075,993	−8,028,293
Financing applied to program	403,224	424,265	423,600

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 operations 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.

Operations—Synthetic rubber program.—Except for one alcohol butadiene plant at Louisville, Ky., and catalyst manufacturing equipment in Baltimore, Md., on which disposal efforts will continue in 1960, 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.

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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 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 salary and related costs of one engineer engaged in the supervision of the Corporation's functions, together with rental costs of office space and payments to the administrative operations fund for administrative support.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories for sale	$468,257	$468,257	$468,257	$468,257
Supplies and deferred charges	915,471	804,301	804,301	804,301
Unpaid undelivered orders		2,135		
Total selected resources at end of year	1,383,728	1,274,693	1,272,558	1,272,558
Selected resources at start of year (−)		−1,383,728	−1,274,693	−1,272,558
Costs financed from obligations of other years, net (−)		−109,035	−2,135	

Operating results.—During 1958, the Corporation paid into the Treasury $6 million from liquidation proceeds. This and other actions reduced the equity of the Treasury to $22.7 million.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Synthetic rubber program: Expense	$512,259	$426,400	$423,600
Receipts from operations (funds provided):			
Synthetic rubber program:			
Proceeds from sale of equipment	107		
Proceeds from mortgages repaid	593,079	793,000	943,600
Revenue	357,690	342,100	309,000
Tin program:			
Proceeds from mortgages repaid	50,000	55,000	80,000
Revenue	65,969	45,800	43,300
Decrease in selected working capital	183,427	96,485	65,000
Total receipts from operations	1,250,272	1,332,385	1,440,900
Budget expenditures	−738,013	−905,985	−1,017,300

Revenue, Expense, and Retained Earnings

Synthetic rubber program:			
Revenue	$357,690	$342,100	$309,000
Expense	1,153,845	1,051,400	1,023,600
Net operating loss (−), synthetic rubber program	−796,155	−709,300	−714,600
Tin program: Revenue	65,969	45,800	43,300
Nonoperating loss (−): Synthetic rubber program:			
Proceeds from sale of equipment	107		
Net book value of assets sold (−)	−107		
Writeoff of equipment	−1		
Net nonoperating loss (−), synthetic rubber program	−1		
Net loss (−) for the year	−730,187	−663,500	−671,300
Analysis of equity:			
Equity, beginning of year	29,443,475	22,713,288	22,049,788
Repayment of investment to Treasury (−)	−6,000,000		
Equity, end of year	22,713,288	22,049,788	21,378,488

Financial Condition

Assets:			
Cash with Treasury	$4,603,008	$5,508,993	$6,526,293
Accounts receivable, net	1,769,455	1,669,000	1,604,000
Chemicals for sale	468,257	468,257	468,257
Supplies and deferred charges	804,301	804,301	804,301
Mortgages receivable	9,833,092	8,985,092	7,961,492
Property, plant, and equipment, net	5,341,145	4,716,145	4,116,145
Total assets	22,819,258	22,151,788	21,480,488

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$105,970	$102,000	$102,000
Government equity:			
Non-interest-bearing equity	22,713,288	22,049,788	21,378,488

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$9,864,995	$4,603,008	$5,508,993	$6,526,293
Obligated balance, net:				
Current liabilities	132,237	[1] 105,970	102,000	102,000
Unpaid undelivered orders		2,135		
Accounts receivable, net (−)	−1,867,979	−1,769,455	−1,669,000	−1,604,000
Total obligated balance	−1,735,742	−1,661,350	−1,567,000	−1,502,000
Unobligated balance	11,600,737	6,264,358	7,075,993	8,028,293

[1] There is a contingent liability of $386,381 represented by claims in litigation, etc., under the synthetic rubber program.

Limitation on Administrative Expenses, Federal Facilities Corporation

Not to exceed [$25,000] *$24,000* shall be available during the fiscal year 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. (*Independent Offices Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Synthetic rubber (total accrued administrative expenses)	$49,967	$26,800	$24,000
Financing:			
Unobligated balance no longer available	33		
Limitation	50,000	25,000	24,000
Proposed increase in limitation due to pay increases		1,800	

Object Classification

Total number of permanent positions	9		6		3	
Average number of all employees	6		4		3	
Number of employees at end of year	6		3		3	
Average GS grade and salary	11.5	$9,107	10.3	$9,105	15.0	$13,978
01 Personal services:						
Permanent positions		$63,963		$42,450		$37,200
Other personal services		250		150		300
Excess of leave taken (−) over leave earned		−2,174				
Total personal services		62,039		42,600		37,500
Deduct portion not chargeable to limitation		22,502		23,200		23,400
Net personal services		39,537		19,400		14,100
02 Travel		2,421		1,400		1,800
04 Communication services		697		300		300
06 Printing and reproduction		125		100		100
07 Other contractual services		3,240		1,300		1,100
Payment to "Administrative operations fund"				1,300		4,100
Services performed by other agencies		156		1,700		1,500
08 Supplies and materials		111		100		100
11 Grants, subsidies, and contributions		2,172		1,200		900
Adjustment of prior year expense		1,508				
Total accrued administrative expenses		49,967		26,800		24,000

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GENERAL ACTIVITIES—Continued

Public enterprise funds—Continued

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Liquidation of World War II assets program:			
Administrative expenses	$42,866	$42,500	$37,000
Other	50,354	49,950	64,500
Loss on sale of land, structures, and equipment			5,000
Increase in valuation allowances on accounts receivable	500,817		
Liquidation of Smaller War Plants Corporation program:			
Administrative expenses	14,289	12,000	7,000
Other	1,621	1,000	1,000
Total program costs	609,947	105,450	114,450
Unfunded adjustments to total program costs: Costs included above not requiring funding (−)			−5,000
Total program (obligations)	609,947	105,450	109,450
Financing:			
Amounts becoming available:			
Liquidation of World War II assets program:			
Donated surplus (cash transferred from Treasury)	9,332		
Revenue and receipts: Proceeds from—			
Sale of investment		6,900	
Sale of land, structures, and equipment	865,118	271,000	25,000
Revenue	262,036	429,400	431,100
Adjustment of prior year transactions	120,250		
Decreases in valuation allowances on accounts receivable			14,500
Liquidation of Smaller War Plants Corporation program: Revenue and receipts:			
Loans repaid	141,317	101,416	3,000
Revenue	9,014	6,905	2,000
Total amounts becoming available	1,407,067	815,621	475,600
Unobligated balance brought forward	12,469,264	13,266,384	13,976,555
Total amounts available	13,876,331	14,082,005	14,452,155
Unobligated balance carried forward	−13,266,384	−13,976,555	−14,342,705
Financing applied to program	609,947	105,450	109,450

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.

Operations.—It is anticipated that there will continue during 1960 the servicing of leases and conditional sales agreements covering 14 facilities, plus servicing of 46 other miscellaneous assets and 4 loans of the Smaller War Plants Corporation. Financial and legal servicing will also be required on 22 liabilities, plus approximately 90 cases in the hands of the Department of Justice under the complex food subsidy program.

Administrative expense requirements are estimated to decrease $10,500 below the 1959 level.

Operating results.—Proceeds from liquidation will be paid into miscellaneous receipts of the Treasury.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Liquidation of World War II assets program: Expense	$93,220	$92,450	$101,450
Liquidation of Smaller War Plants Corporation program:			
Expense	15,910	13,000	8,000
Increase in selected working capital	22,511		
Total gross expenditures	131,641	105,450	109,450

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Liquidation of World War II assets program:			
Proceeds from sale of land, structures, and equipment	$865,118	$271,000	$25,000
Proceeds from sale of securities		6,900	
Revenue	262,036	429,400	431,100
Adjustment of prior year transactions	120,250		
Liquidation of Smaller War Plants Corporation program:			
Loans repaid	141,317	101,416	3,000
Revenue	9,014	6,905	2,000
Decrease in selected working capital		425,699	125,500
Total receipts from operations	1,397,735	1,241,320	586,600
Budget expenditures	−1,266,094	−1,135,870	−477,150

Revenue, Expense, and Retained Earnings

Liquidation of World War II assets program:			
Revenue	$262,036	$429,400	$431,100
Expense	93,220	92,450	101,450
Adjustment of prior year transactions	120,250		
Net operating income, liquidation of World War II assets program	289,066	336,950	329,650
Liquidation of Smaller War Plants Corporation program:			
Revenue	9,014	6,905	2,000
Expense	15,910	13,000	8,000
Net operating loss (−), liquidation of Smaller War Plants Corporation program	−6,896	−6,095	−6,000
Net operating income	282,170	330,855	323,650
Nonoperating income or loss (−):			
Liquidation of World War II assets program:			
Proceeds from sale of land, structures, and equipment	865,118	271,000	25,000
Net book value of assets sold (−)	−957,560	−271,000	−30,000
Increase (−) or decrease in valuation allowances:			
Accounts and other receivables	−500,817		14,500
Land, structures, and equipment	373,393		
Net nonoperating income or loss (−)	−219,866		9,500
Net income for the year	62,304	330,855	333,150
Analysis of equity:			
Equity, beginning of year	14,090,865	14,162,501	14,493,356
Donated surplus (cash transferred from Treasury)	9,332		
Equity, end of year	14,162,501	14,493,356	14,826,506

Financial Condition

Assets:			
Cash with Treasury	$9,094,685	$10,230,555	$10,707,705
Accounts and other receivables, net	4,208,909	3,750,000	3,639,000
Collateral acquired in liquidation of loan indebtedness	14,550		
Loans receivable, net	146,301	44,885	41,885
Land, structures, and equipment, net	742,916	471,916	441,916
Investment in securities	6,900		
Total assets	14,214,261	14,497,356	14,830,506
Liabilities:			
Current	51,760	4,000	4,000
Government equity:			
Non-interest-bearing equity	14,162,501	14,493,356	14,826,506

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$7,819,259	$9,094,685	$10,230,555	$10,707,705
Obligated balance, net:				
Current liabilities	167,635	[1] 51,760	4,000	4,000
Accounts and other receivables, collateral acquired in loan indebtedness, net (−)	−4,817,640	−4,223,459	−3,750,000	−3,639,000
Total obligated balance	−4,650,005	−4,171,699	−3,746,000	−3,635,000
Unobligated balance	12,469,264	13,266,384	13,976,555	14,342,705

[1] There is a contingent liability of $16,848,343 represented by claims in litigation, etc., under the World War II assets program.

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Limitation on Administrative Expenses, Reconstruction Finance Corporation Liquidation Fund

Not to exceed [$50,000] *$44,000* (to be computed on an accrual basis) of the funds derived from 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 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, but this amount shall be exclusive of costs of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services: *Provided further,* That the distribution of administrative expenses to the accounts shall be made in accordance with generally recognized accounting principles and practices. (*Independent Offices Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Liquidation of World War II assets and liabilities	$42,866	$42,500	$37,000
2. Liquidation of Smaller War Plants Corporation	14,289	12,000	7,000
Total accrued administrative expenses	57,155	54,500	44,000
Financing:			
Limitation	57,155	50,000	44,000
Proposed increase in limitation due to pay increases		4,500	

Object Classification

07 Other contractual services: Payment to "Administrative operations fund"	$57,155	$54,500	$44,000

Intragovernmental funds:

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 [1959] *1960* from funds made available to General Services Administration in this Act shall not exceed [$11,043,000] *$13,000,000,* of which not to exceed [$184,000] *$900* may be used for [travel expenses] *purchase of newspapers and periodicals*: *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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Financial services	$8,660,346	$9,511,400	$9,935,500
2. Administrative services	3,650,515	4,053,200	4,112,900
3. Legal services	1,055,181	1,218,900	1,252,700
4. Legislative and information services	141,045	158,100	161,800
5. Management supervision	291,266	317,700	325,100
Total obligations	13,798,353	15,259,300	15,788,000
Financing:			
Advances and reimbursements from other accounts:			
Limitation:			
Authorized	10,970,000	11,043,000	13,000,000
Proposed increase in limitation due to pay increases		983,700	
Proposed for later transmission		300,000	
Comparative transfers	145,316	40,200	
Excluded from limitation	2,697,518	2,892,400	2,788,000
Unobligated balance no longer available	−14,481		
Total financing	13,798,353	15,259,300	15,788,000

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 1960 from the various sources and comparable data for 1958 and 1959 are:

	1958 comparable	*1959 comparable*	*1960 estimate*
Included in limitation:			
Operating expenses, Public Buildings Service	$3,530,900	$3,589,500	$4,000,000
Repair and improvement, federally owned buildings	917,378	997,800	900,000
Sites and expenses, public buildings projects	190,216	185,400	363,000
Operating expenses, Federal Supply Service	714,239	976,000	1,019,000
Expenses, supply distribution	3,595,025	4,328,000	4,720,000
Operating expenses, National Archives and Records Service	415,470	472,000	472,000
Operating expenses, Transportation and Public Utilities Service	252,694	310,800	310,800
Strategic and critical materials	1,428,726	1,438,700	1,157,000
Limitation on administrative expenses, abaca fiber program	13,513	14,200	14,200
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund	57,155	54,500	44,000
Total included in limitation	11,115,316	12,366,900	13,000,000
Excluded from limitation:			
Expansion of defense production	1,134,229	1,144,200	1,090,000
Buildings management fund	562,030	583,400	583,400
Construction services	282,980	286,800	286,800
General supply fund	257,461	382,800	382,800
Administrative expenses, foreign aid procurements	228,876	233,200	233,200
Advances and reimbursements:			
Office of Civil and Defense Mobilization	66,514	70,000	70,000
Commodity Credit Corporation fund	93,540	98,100	98,100
Other advances and reimbursements, not shown in this chapter:			
Acquisition of strategic minerals	23,924	16,400	
Chantilly Airport	6,257	27,300	12,900
Other minor sources	41,707	50,200	30,800
Total excluded from limitation	2,697,518	2,892,400	2,788,000
Unobligated balance	−14,481		
Grand total	13,798,353	15,259,300	15,788,000

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,031	2,150	2,179
Full-time equivalent of all other positions	25	13	8
Average number of all employees	1,953	2,040	2,069
Number of employees at end of year	2,009	2,150	2,179
Average GS grade and salary	7.0 $5,541	7.1 $6,120	7.1 $6,180
01 Personal services:			
Permanent positions	$11,195,829	$12,523,788	$12,846,698
Positions other than permanent	98,044	64,904	38,700
Other personal services	235,952	161,108	110,902
Total personal services	11,529,825	12,749,800	12,996,300
02 Travel	181,461	217,000	245,400
03 Transportation of things	14,247	10,100	9,000
04 Communication services	175,218	186,800	204,400
05 Rents and utility services	446,239	610,500	784,000
06 Printing and reproduction	250,693	277,300	331,100
07 Other contractual services	111,269	106,700	105,500
Services performed by other agencies	70,965	63,300	70,000
08 Supplies and materials	119,071	121,200	131,800
09 Equipment	147,838	62,300	65,000
11 Grants, subsidies, and contributions	690,256	818,700	840,800
13 Refunds, awards, and indemnities	56,291	30,700	
15 Taxes and assessments	4,980	4,900	4,700
Total obligations	13,798,353	15,259,300	15,788,000

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GENERAL ACTIVITIES—Continued

Intragovernmental funds—Continued

Working Capital Fund

A central blueprinting, photostating, duplicating, and distribution service is financed by a working capital fund pending reimbursements (40 U. S. C. 293).

Operating results.—Surplus earnings are deposited into miscellaneous receipts of the Treasury. Through June 30, 1958, a total of $42,713 has been deposited, and it is estimated that $9,554 and $5,000 will be deposited in 1959 and 1960, respectively.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$4,439	$3,000	$3,000
Expense:			
Purchase of raw materials	201,183	200,000	190,000
Other expense	745,759	792,500	816,500
Increase in selected working capital			1,000
Total gross expenditures	951,381	995,500	1,010,500
Receipts from operations (funds provided):			
Revenue	965,478	1,005,000	1,019,500
Decrease in selected working capital	5,611	6,968	
Total receipts from operations	971,089	1,011,968	1,019,500
Budget expenditures	−19,708	−16,468	−9,000

Revenue, Expense, and Retained Earnings

Revenue	$965,478	$1,005,000	$1,019,500
Expense	956,112	1,000,000	1,016,500
Net operating income	9,366	5,000	3,000
Nonoperating income: Equipment transferred from other sources, net	188		
Net income for the year	9,554	5,000	3,000
Analysis of retained earnings:			
Retained earnings, beginning of year	2,253	9,554	5,000
Payment of earnings to Treasury (−)	−2,253	−9,554	−5,000
Retained earnings, end of year	9,554	5,000	3,000

Financial Condition

Assets:			
Cash with treasury	$155,761	$162,675	$166,675
Accounts receivable	97,092	90,000	95,000
Inventory: stock	65,835	70,835	73,335
Equipment, net	91,534	82,034	72,534
Total assets	410,222	405,544	407,544
Liabilities:			
Current	156,124	156,000	160,000
Government investment:			
Non-interest-bearing capital	244,544	244,544	244,544
Retained earnings	9,554	5,000	3,000
Total Government investment	254,098	249,544	247,544

Note.—Unpaid undelivered orders are as follows: 1957, $6,778; 1958, $12,831; 1959, $10,000; 1960, $10,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	146	146	148
Full time equivalent of all other positions	1		
Average number of all employees	137	141	143
Number of employees at end of year	140	146	148
Average GS grade and salary	4.4 $4,073	4.4 $4,604	4.7 $4,756
Average salary of ungraded positions	$4,632	$4,866	$4,866
01 Personal services:			
Permanent positions	$598,172	$667,050	$686,950
Positions other than permanent	2,983	500	500
Other personal services	29,545	8,750	11,450
Excess of annual leave earned over leave taken	5,761		
Total personal services	636,461	676,300	698,900
02 Travel	981	1,500	1,500
03 Transportation	66	100	100
04 Communication services	2,574	2,600	2,600
05 Rents and utility services	$320	$400	$400
06 Printing and reproduction	3,013	3,000	3,000
07 Other contractual services	34,433	34,800	34,800
Services performed by other agencies	1,893	2,000	2,000
08 Supplies and materials	226,376	225,000	215,000
09 Equipment	4,439	3,000	3,000
11 Grants, subsidies, and contributions	37,091	43,500	44,900
13 Refunds, awards, and indemnities	2,958	3,000	3,000
15 Taxes and assessments	271	300	300
Adjustment of prior year expense	505		
Total accrued costs	951,381	995,500	1,009,500
Increase or decrease (−) in unpaid undelivered orders	6,053	−2,831	
Total obligations	957,434	992,669	1,009,500

Proposed for later transmission:

Salaries and Expenses, Office of Administrator

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Allowances and pensions		$23,000	
2. Office staff and facilities		37,000	
Total obligations		60,000	
Financing:			
Proposed supplemental appropriation		60,000	

Under existing legislation, 1959.—It is anticipated that an additional $60,000 will be required to carry out the provisions of Public Law 85-745 in providing allowances and offices for former Presidents and pensions for widows of former Presidents authorized under that act.

Refunds Under Renegotiation Act

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Rebate payments		$320,000	$700,000
2. Refund payments		80,000	75,000
Total program (costs—obligations)		400,000	775,000
Financing:			
Unobligated balance brought forward			−1,000,000
Unobligated balance carried forward		1,000,000	225,000
Proposed supplemental appropriation		1,400,000	

Under existing legislation, 1959.—At the rate of payments during 1958 it is expected that balances available in 1959 will be exhausted before the end of the year. It is anticipated that a supplemental appropriation in the amount of $1,400,000 will be required to finance payment of all claims foreseeable at this time.

GENERAL SERVICES ADMINISTRATION—GENERAL PROVISIONS

The appropriate appropriation or fund available to the General 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

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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, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

Types	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)				
PERSONAL PROPERTY ACTIVITIES								
General supply fund	1,798	$2,876,800	2,079	$530,050	$2,346,750	4,477	$200,000	Operations of interagency motor pools at 66 locations by June 30, 1960, 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	572	1,115,400	689	121,150	994,250	1,110	----------	Do.
Ambulance	12	71,820	14	5,600	66,220	26	----------	Do.
Bus	18	107,730	18	5,200	102,530	58	----------	Do.
Total, General Services Administration.	2,400	4,171,750	2,800	662,000	3,509,750	5,671	200,000	

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HOUSING AND HOME FINANCE AGENCY

Net expenditures of the Housing and Home Finance Agency are estimated to fall from $1,064 million in 1959 to $318 million in 1960 primarily because of the sharp decline in mortgage purchases under the special anti-recession program and the proposed liquidation of other mortgages by exchange for Government bonds. New obligational authority of $408 million recommended for 1960 is less than the $549 million for 1959, chiefly because no new authority is requested for 1960 for the college housing loan program for which $200 million is recommended for 1959.

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 1960 budget substantial reductions will be made below the 1959 level of commitments for college housing loans and for special assistance mortgage purchases, and no new contracts will be made for annual Federal contributions for low-rent public housing units. Urban renewal and most other housing programs will continue at about the 1959 commitment level.

Community development and facilities.—The last Congress did not enact legislation, proposed in the 1959 budget, providing $200 million in contract authority for capital grants by the Urban Renewal Administration for slum clearance and urban renewal projects. The President has made available for use in this program $100 million in new authority previously authorized for use at his discretion. Early enactment is now proposed of the additional $100 million authorization needed to carry out the program originally projected and, in addition, restoration to the President of the $100 million in discretionary authority.

Legislation is also recommended authorizing capital grants of $250 million annually for the years 1960, 1961, and 1962, and $200 million annually in the years 1963, 1964, and 1965, and reducing the Federal share of urban renewal project costs over this period from two-thirds to one-half. A continuing shift in emphasis from individual projects to communitywide renewal plans is underway. The proposed 6-year capital grant authorization together with a recently introduced formula for allocating grant authority among cities will permit communities to plan with reasonable assurance of the availability of Federal grant funds in known amounts. Other legislative proposals would revise Federal aid for project planning from advances to participating grants, would clarify and expand the authority to guarantee borrowings by local urban renewal agencies from private lenders, and would authorize loan guaranties for nonresidential projects not eligible for capital grants.

Under the 1960 budget the rapid progress of recent years in moving urban renewal projects from planning into actual execution will continue. The number of projects for which planning was completed and work begun will increase from 276 at the end of 1958 to an estimated 441 at the end of 1960. In addition, an estimated 25 projects will be completed in 1959 and 40 projects in 1960, compared to 7 in 1958. Disbursements of capital grants will require appropriations to liquidate contract authority of $100 million in 1960 compared to $50 million in 1959.

An appropriation of $3 million is recommended to continue the urban planning grant program at the 1959 level, together with an increase in the present $10 million authorization for appropriations to $20 million.

Loan commitments by the Community Facilities Administration to finance the construction of local public works are estimated to increase from $25 million in 1959 to $34 million in 1960. The present lending authority will be sufficient to carry out this program. New appropriations of $7 million are recommended for advances for the planning of non-Federal public works. This will permit the program to continue at a commitment level of $11 million, compared to $10 million in 1959.

Public housing programs.—The authority of the Public Housing Administration to enter into annual contributions contracts with local housing authorities for the construction of low-rent public housing projects will be allowed to expire on June 30, 1959. At that time 456,000 units will be available for occupancy under the program and an additional 129,000 units will be under contract but not yet constructed. Annual contributions to local housing authorities are estimated to increase from $113 million in 1959 to $124 million in 1960, as more projects are completed and become eligible for contributions. A supplemental appropriation of $5.5 million is estimated for 1959.

The disposal of housing built under emergency programs during World War II and the Korean conflict was virtually completed in the last year leaving for liquidation an estimated $184 million in mortgages received as part of the sales price. By the end of 1960, the sale of $82 million in Government-owned housing and other properties in the atomic energy communities of Oak Ridge, Tenn. and Richland, Wash., will, with minor exceptions, be complete. Substantial progress in the sale of mortgages accepted in part payment for these properties will reduce the portfolio to an estimated $8 million at the end of 1960.

Other aids to housing.—New obligational authority of $200 million is recommended for 1959 under proposed legislation for the college housing loan program of the Community Facilities Administration. This amount was originally requested in the 1959 budget, but was not enacted by the last Congress.

Legislation is being proposed for 1960 (1) to exclude from the college housing program public institutions which

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issue tax-exempt obligations, (2) to authorize Federal guaranties for the taxable loans of private institutions placed with private lenders, and (3) to amend the present interest rate formula to provide for interest rates ¼% above current yields on outstanding Treasury bonds of comparable maturities. No new obligational authority is proposed for 1960. The needs of private institutions will, however, be met by an estimated $54 million in loan commitments to be made from the sale of bonds in the portfolio and repayments; and by loan guaranties. Public institutions, which have in recent years accounted for about 60% of the loan volume, can market their tax-exempt obligations privately at reasonable interest rates. Net expenditures estimated at $186 million reflect disbursements on prior year loan commitments and receipts of $50 million estimated to be obtained through the exchange of college housing loans in the Agency portfolio for privately held Treasury bonds.

The Federal Housing Administration expects to receive applications for mortgage insurance covering 962,500 dwelling units in 1959 and 950,000 units in 1960, more than in any prior year of its 25-year history. This record volume of activity has made it necessary to request emergency legislation early in the Congress authorizing additional mortgage insurance authority. Legislation is also recommended for enactment in 1960 to remove entirely the dollar limits on the mortgage insurance authorization in order to avoid in the future the disruption of normal insurance activity experienced during the past year from unanticipated demands for mortgage insurance. As a result of the increased income from premiums and fees, receipts will exceed expenditures by $113 million in 1960.

Receipts of the management and liquidating functions of the Federal National Mortgage Association will exceed expenditures in 1960 by an estimated $500 million, compared to an estimated $190 million in 1959. The increase arises from the proposed liquidation in 1960 of $335 million in mortgages through exchange for privately held Government bonds.

New commitments under the Association's special assistance functions are estimated to decline from $926 million in 1959 to $437 million in 1960. The major reasons are (1) the exhaustion in 1959 of the $1 billion special authorization for the purchase of low-cost housing mortgages enacted in April 1958 as an antirecession measure, and (2) successful efforts to substitute private financing for Association support of mortgages originated under the armed services family housing program. Commitments to purchase mortgages on housing for urban renewal areas, for the relocation of displaced families, and for the elderly will continue to increase in 1960. However, the expiration last August of the unrealistic requirement for the purchase of mortgages at par, and other measures taken to attract private investment for these mortgages should gradually reduce the direct Government financing required.

Budget expenditures for the special assistance functions are estimated at $500 million in 1960 compared to $129 million in 1958 and $868 million in 1959. This reflects (1) the heavy mortgage purchases in 1959 under the special low-cost housing authorization, (2) the continued growth in mortgage purchases from prior commitments under other authorizations and (3) an increase in mortgage sales from negligible 1959 levels to an estimated $100 million in 1960. No new obligational authority will be needed for these functions in 1960.

The secondary market operations (trust fund) of the Federal National Mortgage Association will be financed by the sale of debentures to the public. Hence no net Treasury borrowings or net budget expenditures are estimated for these operations in 1960.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Commerce and housing:						
515 Community development and facilities	$356,275	$210,250	$260,250	$70,837	$111,209	$141,764
516 Public housing programs	110,655	125,660	137,000	51,406	92,593	92,985
517 Other aids to housing	3,198,716	213,345	10,250	76,815	860,345	82,898
521 Disaster insurance, loans, and relief				47		
Total, Housing and Home Finance Agency	3,665,646	549,255	407,500	199,105	1,064,147	317,647

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
OFFICE OF THE ADMINISTRATOR												
Current authorizations:												
Salaries and expenses	517	$7,641	$8,000	$720	$10,025	$7,174	$8,099	$648	$8,747	$9,822	$72	$9,894
Limitation on use of nonadministrative funds from college housing, public facility loans, and urban renewal	517	(1,750)	(2,500)		(3,100)							
Urban planning grants	515	1,275	3,250		975	1,953	3,200		3,200	3,500		3,500
Farm housing research	517	75					72		72			
Permanent authorizations:												
Housing studies (contract authorization)	517	1,000	1,000									
Public enterprise funds:												
College housing:												
Operations, college housing loans fund (authorization to expend from debt receipts)	517	175,000				164,464	235,633		235,633	185,980		185,980
Limitation on administrative expenses, college housing loans	517	(1,434)	(1,675)	(48)	(1,780)							
Public facility loans:												
Operations, public facility loans	515					10,928	24,224		24,224	29,741		29,741
Limitation on administrative expenses, public facility loans	515	(421)	(400)	(36)	(550)							
Public works planning:												
Reserve of planned public works (payment to revolving fund) (current appropriation)	515	5,000	7,000		7,000	2,370	7,156		7,156	7,720		7,720
Public works planning fund	515											
Liquidating programs:												
Revolving fund (liquidating programs)	516											
Limitation on administrative expenses, revolving fund (liquidating programs)	516	(1,128)	(600)	(53)	(755)	−28,069	−23,719		−23,719	−22,909		−22,909
Limitation on nonadministrative expenses, revolving fund (liquidating programs)	516	(600)										
Urban renewal:												
Capital grants for slum clearance and urban renewal (liquidation of contract authorization)	515		(50,000)		(100,000)							
Urban renewal fund (capital grants) (permanent contract authorization)	515	350,000	100,000			55,586	76,629		76,629	100,803		100,803
Urban renewal fund (loans and planning advances)	515											
Community disposal operations: Community disposal operations fund	516					−16,838	−16,389		−16,389	−13,114		−13,114
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation:												
Salaries and expenses	517				225						203	203
Urban planning grants	515				2,275							
College housing: Operations, college housing loans (authorization to expend from debt receipts)	517			200,000								
Urban renewal: Urban renewal fund (capital grants) (contract authorization)	515			100,000	250,000							
Total, Office of the Administrator		539,991	119,250	300,720	270,500	197,568	314,905	648	315,553	301,543	275	301,818
FEDERAL FLOOD INDEMNITY ADMINISTRATION												
Public enterprise funds:												
Administrative expenses (current appropriation)	521					47						
FEDERAL NATIONAL MORTGAGE ASSOCIATION												
Public enterprise funds:												
Loans for secondary market operations (authorization to expend from debt receipts)	517	965,000				−3,234						
Special assistance functions fund (authorization to expend from debt receipts)	517	2,050,000				128,975	867,760		867,760	500,000		500,000
Management and liquidating functions fund	517					−157,625	−190,212		−190,212	−500,000		−500,000
Limitation on administrative expenses	517	(4,750)	(5,450)	(100)	(6,100)							
Total, Federal National Mortgage Association		3,015,000				−31,884	677,548		677,548			

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
FEDERAL HOUSING ADMINISTRATION												
Public enterprise funds:												
Federal Housing Administration fund (permanent indefinite authorization to expend from debt receipts)	517		$3,625									
Limitation on administrative expenses	517	($7,440)	(7,400)	($570)	($8,200)	−$62,939	−$61,655		−$61,655	−$113,179		−$113,179
Limitation on nonadministrative expenses	517	(39,200)	(43,000)	(2,835)	(48,750)							
Total, Federal Housing Administration			3,625			−62,939	−61,655		−61,655	−113,179		−113,179
PUBLIC HOUSING ADMINISTRATION												
Public enterprise funds:												
Administrative expenses (current appropriation)	516	11,755	11,800	860	13,000	96,722	125,222	$860	126,082	129,008		129,008
Annual contributions (current appropriation)	516	98,900	107,500		124,000							
Intragovernmental funds:												
Limitation on administrative expenses	516	(11,755)	(11,800)	(860)	(13,000)	−409	1,119		1,119			
Limitation on nonadministrative expenses	516	(2,200)	(2,300)		(1,550)							
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Annual contributions (current appropriations)	516			5,500				5,500	5,500			
Total, Public Housing Administration		110,655	119,300	6,360	137,000	96,313	126,341	6,360	132,701	129,008		129,008
Total new obligational authority and budget expenditures		3,665,646	242,175	307,080	407,500	199,105	1,057,139	7,008	1,064,147	317,372	$275	317,647
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$124,646	$137,550		$155,000	$199,105	$1,057,139			$317,372		
Appropriation to liquidate contract authorizations			(50,000)		(100,000)							
Authorizations to expend from debt receipts		3,190,000										
Permanent authorizations:												
Authorizations to expend from debt receipts			3,625									
Contract authorizations		351,000	101,000									
Proposed for later transmissions:												
Pay increase supplemental appropriations			1,580				1,508			72		
Other:												
Appropriations			5,500		2,500		5,500			203		
Authorizations to expend from debt receipts			200,000									
Contract authorizations			100,000		250,000							
Total new obligational authority and budget expenditures		3,665,646	549,255		407,500	199,105	1,064,147			317,647		

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EXPENDITURES AND RECEIPTS OF PUBLIC ENTERPRISE FUNDS

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
OFFICE OF THE ADMINISTRATOR										
College housing: Operations, college housing loans fund	517	$176,125	$252,563	$260,850	$11,661	$16,930	$74,870	$164,464	$235,633	$185,980
Public facility loans: Operations, public facility loans	515	11,335	25,437	32,370	407	1,213	2,629	10,928	24,224	29,741
Public works planning: Public works planning fund	515	3,532	9,156	11,220	1,161	2,000	3,500	2,370	7,156	7,720
Liquidating programs: Revolving fund (liquidating programs)	516	5,343	1,390	976	33,412	25,109	23,885	−28,069	−23,719	−22,909
Urban renewal:										
Capital grants for slum clearance and urban renewal (liquidation of contract authorization)	515	77,534	155,258	186,029	21,948	78,628	85,226	55,586	76,629	100,803
Urban renewal fund (capital grants)										
Urban renewal fund (loans and planning advances)										
Community disposal operations fund	------	13,258	11,250	5,385	30,096	27,639	18,499	−16,838	−16,389	−13,114
FEDERAL FLOOD INDEMNITY ADMINISTRATION										
Administrative expenses	521	47	----------	----------	----------	----------	----------	47	----------	----------
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Loans for secondary market operations	517	703,444	415,000	485,000	706,678	415,000	485,000	−3,234	----------	----------
Special assistance functions fund	517	148,211	972,725	721,195	19,235	104,965	221,195	128,975	867,760	500,000
Management and liquidating functions fund	517	81,307	69,175	60,530	238,932	259,387	560,530	−157,625	−190,212	−500,000
FEDERAL HOUSING ADMINISTRATION										
Federal Housing Administration fund	517	122,264	156,717	135,049	185,203	218,372	248,228	−62,939	−61,655	−113,179
PUBLIC HOUSING ADMINISTRATION										
Low rent public housing program fund	516	317,877	505,496	448,063	221,155	379,414	319,054	96,722	126,082	129,008
Proposed for later transmission	516	----------	5,500	----------	----------	----------	----------	----------	5,500	----------
Total, public enterprise funds	------	1,660,277	2,579,667	2,346,667	1,469,888	1,528,657	2,042,616	190,389	1,051,010	304,051

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
OFFICE OF THE ADMINISTRATOR											
Current authorizations:											
Salaries and expenses		$435		$899		$824	$10,025	$9,060	$824		$955
Urban planning grants	$2,191	3,575	$713	2,897		2,947	975	553	2,947		422
Farm housing research				72							
Permanent authorizations:											
Housing studies (contract authorization)	500	500	1,500	1,500	$2,500	2,500				$2,500	2,500
Public enterprise funds:											
Operations, college housing loans fund:											
Cash		18,637		15,173		14,539			185,980		18,559
Authorization to expend from debt receipts	341,538	522,143	273,905	536,143	36,032	301,144				54,180	111,144
Operations, public facility loans:											
Cash		424		1,796		2,572			29,741		2,831
Authorization to expend from debt receipts	88,357	98,600	65,112	86,300	39,981	61,300				6,516	31,300
Public works planning fund	5,435	10,687	4,341	13,317	3,341	13,161	7,000		7,720	2,691	12,441
Revolving fund (liquidating programs)	18,630	19,043	11,563	9,845	6,600	5,453			−22,909	6,234	[1] 5,362
Urban renewal fund:											
Cash		65,953		30,367		3,738					2,935
Contract authorization	638,734	743,000	826,792	1,093,000	651,792	1,143,000			100,803	476,792	1,043,000
Authorization to expend from debt receipts	682,869	947,000	542,696	927,000	198,761	927,000				705,227	927,000
Community disposal operations fund	1,646	1,978	2,313	2,816	900	1,205			−13,114	1,269	[2] 1,319
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation:											
Salaries and expenses							225	203			22
Urban planning grants (current appropriation)							2,275				2,275
Operations, college housing loans fund (authorization to expend from debt receipts)					200,000	200,000					200,000
Urban renewal fund: Contract authorization					100,000	100,000	250,000			250,000	350,000
Total, Office of the Administrator	1,779,900	2,431,975	1,728,935	2,721,125	1,239,907	2,779,383	270,500	9,826	291,992	1,505,409	2,712,065
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				500,000	500,000
Administrative expenses		51									
Total, Federal Flood Indemnity Administration	500,000	500,051	500,000	500,000	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)	1,346,766	1,346,766	2,315,000	2,315,000	2,315,000	2,315,000				2,315,000	2,315,000
Special assistance functions fund:											
Cash		314		767		1,007			500,000		1,007
Authorization to expend from debt receipts	239,178	575,374	1,399,601	2,485,779	590,406	1,583,779				324,086	[3] 1,043,479
Management and liquidating functions fund:											
Cash and U. S. securities	23,339	36,589	42,688	59,727	34,212	60,498			−500,000	24,792	50,498
Authorization to expend from debt receipts	274	274									[4]
Total, Federal National Mortgage Association	1,609,557	1,959,317	3,757,289	4,861,273	2,939,618	3,960,284				2,663,878	3,409,984
FEDERAL HOUSING ADMINISTRATION											
Public enterprise funds:											
Federal Housing Administration fund	434,680	521,155	491,396	578,225	575,293	643,505			−113,179	694,337	[5] 747,622

[1] Excludes capital transfer in 1960 of $23,000 thousand.
[2] Excludes capital transfer in 1960 of $13,000 thousand.
[3] Excludes unobligated balance no longer available in 1960 of $40,300 thousand.
[4] Excludes unobligated balance no longer available in 1960 of $510,000 thousand.
[5] Excludes unobligated balance no longer available in 1960 of $9,062 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
PUBLIC HOUSING ADMINISTRATION											
Public enterprise funds:											
Low rent public housing program fund:											
Cash	----------	$32,905	----------	$39,833	----------	$45,375	$137,000	$129,008	----------	----------	[6] $52,618
Authorization to expend from debt receipts	$548,118	1,459,000	$427,664	1,465,000	$366,519	1,453,000				$285,239	1,453,000
Intragovernmental funds:											
Limitation on administrative and nonadministrative expenses	----------	710	----------	1,119	----------	----------	----------	----------	----------	----------	----------
Total, Public Housing Administration	548,118	1,492,615	427,664	1,505,952	366,519	1,498,375	137,000	129,008	----------	285,239	1,505,618
Total, Housing and Home Finance Agency	4,872,255	6,905,113	6,905,284	10,166,575	5,621,337	9,381,547	407,500	138,834	$178,813	5,648,863	8,875,289
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$2,191	$4,010	$713	$3,868	----------	$3,771	$155,000	$138,631	$178,741	----------	$1,377
Balances of anticipated pay increase supplementals not identified above	----------	----------	----------	----------	----------	−72				----------	----------
Subtotal	2,191	4,010	713	3,868	----------	3,699				----------	1,377
Authorizations to expend from debt receipts	3,747,100	5,449,157	5,523,978	8,315,222	$4,046,699	7,141,223				$4,190,248	6,380,923
Contract authorizations	639,234	743,500	828,292	1,094,500	654,292	1,145,500				479,292	1,045,500
Revolving and management funds	483,730	708,446	552,301	752,985	620,346	791,053				729,323	[7] 895,192
Proposed for later transmission:											
Appropriations	----------	----------	----------	----------	----------	----------	252,500	203	72	----------	2,297
Balances of anticipated pay increase supplementals not identified above	----------	----------	----------	----------	----------	72				----------	----------
Authorizations to expend from debt receipts	----------	----------	----------	----------	200,000	200,000				----------	200,000
Contract authorizations	----------	----------	----------	----------	100,000	100,000				250,000	350,000
Subtotal	----------	----------	----------	----------	300,000	300,072				250,000	552,297
Total, Housing and Home Finance Agency	4,872,255	6,905,113	6,905,284	10,166,575	5,621,337	9,381,547	407,500	138,834	178,813	5,648,863	8,875,289

[6] Excludes capital transfer in 1960 of $749 thousand.

[7] Excludes, in 1960, capital transfers of $36,749 thousand and unobligated balances no longer available of $559,362 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$4,010	$3,868	$3,699
Authorizations to expend from debt receipts	5,449,157	8,315,222	7,141,223
Contract authorizations	743,500	1,094,500	1,145,500
Revolving and management funds	708,446	752,985	791,053
Proposed for later transmission:			
Pay increase supplemental appropriations			72
Authorizations to expend from debt receipts			200,000
Contract authorizations			100,000
Total balances brought forward	6,905,113	10,166,575	9,381,547
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	124,646	137,550	155,000
Appropriations to liquidate contract authorizations		(50,000)	(100,000)
Authorizations to expend from debt receipts	3,190,000		
Total new obligational authority under current authorizations	3,314,646	137,550	155,000
Permanent authorizations:			
Authorizations to expend from debt receipts		3,625	
Contract authorizations	351,000	101,000	
Total new obligational authority under permanent authorizations	351,000	104,625	
Total new obligational authority enacted or recommended	3,665,646	242,175	155,000
Proposed for later transmission:			
Pay increase supplemental appropriations		1,580	
Other: Appropriations		5,500	2,500
Authorization to expend from debt receipts		200,000	
Contract authorizations		100,000	250,000
Total new obligational authority proposed for later transmission		307,080	252,500
Total new obligational authority	3,665,646	549,255	407,500
Other amounts available:			
Net transfers of balances from or to (−) other agencies	2,733	−111	
Appropriations available in prior year		−48	
Appropriations available from subsequent year	48		
Total other amounts available	2,781	−159	
Total budget authorizations available	10,573,540	10,715,671	9,789,047
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	199,105	1,057,139	138,631
Out of balances of prior obligational authority			178,741
Total expenditures from obligational authority enacted or recommended	199,105	1,057,139	317,372
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		1,508	72
Other:			
Out of new obligational authority		5,500	203
Out of balances of prior obligational authority			
Total expenditures from obligational authority proposed for later transmission		7,008	275
Total budget expenditures	199,105	1,064,147	317,647
Amounts no longer available:			
Unobligated balances expiring and lapsing	148,665	223,441	559,362
Capital transfers from revolving funds to receipt accounts	59,161	46,536	36,749
Adjustment of balances downward in expired accounts, net	35		
Total amounts no longer available	207,862	269,977	596,111
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	3,868	3,699	1,377
Authorizations to expend from debt receipts	8,315,222	7,141,223	6,380,923
Contract authorizations	1,094,500	1,145,500	1,045,500
Revolving and management funds	752,985	791,053	895,192
Proposed for later transmission:			
Pay increase supplemental appropriations		72	
Other: Appropriations			2,297
Authorizations to expend from debt receipts		200,000	200,000
Contract authorizations		100,000	350,000
Total balances carried forward at close of year	10,166,575	9,381,547	8,875,289
Obligations incurred (net)	**$1,424,838**	**$1,563,066**	**−$216,137**

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OFFICE OF THE ADMINISTRATOR

Current authorizations:

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); *purchase of not to exceed two passenger motor vehicles, for replacement only; and* not to exceed $425,000 for expenses of travel; [and expenses of attendance at meetings of organizations concerned with the work of the Agency; $8,000,000] *$10,025,000: 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 [$2,500,000] *$3,000,000. (5 U. S. C. 133y–16; 42 U. S. C. 1451; 12 U. S. C. 1749; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$8,000,000** Estimate 1960, **$10,025,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General agency supervision	$1,127,714	$1,150,000	$1,275,000
2. Consolidated compliance activities	598,597	630,000	650,000
3. Voluntary home mortgage credit	453,657	266,000	
4. Community disposition activities	687,816	660,000	430,000
5. Community facilities programs:			
(*a*) Public works planning advances	481,770	490,000	600,000
(*b*) College housing loans	1,413,520	1,723,000	1,780,000
(*c*) Public facility loans	495,478	436,000	550,000
(*d*) Liquidating activities	198,042	155,000	155,000
(*e*) School construction	849,357	1,000,000	900,000
(*f*) Project inspection and audit	589,244	981,100	1,000,000
6. Urban renewal program:			
(*a*) Urban renewal activities	4,884,127	6,184,000	7,500,000
(*b*) Project inspection and audit	822,859	1,520,000	2,000,000
7. Farm housing research	4,063		
8. Miscellaneous services performed for other agencies	37,529		
9. 1959 program obligated in 1958	48,487	−48,487	
Total obligations	12,692,260	15,146,613	16,840,000
Financing:			
1959 appropriation available in 1958	−48,487	48,487	
Advances and reimbursements from other accounts	−5,023,520	−6,475,100	−6,815,000
Unobligated balance no longer available	20,947		
New obligational authority	7,641,200	8,720,000	10,025,000
New obligational authority:			
Appropriation	$7,641,200	$8,000,000	$10,025,000
Proposed supplemental due to pay increases		720,000	

In addition to general supervision, the Administrator of the Agency is responsible for several activities administered by constituents of the Agency under delegation of authority. 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.

The appropriation requested for 1960, $10,025,000, is an increase of $2,383,800 over 1958. The need for the larger appropriation primarily reflects Pay Act increases and maturation of the urban renewal program as shown by the 50% increase in projects in execution between June 30, 1958, and June 30, 1960 (set forth in tables under Urban renewal fund).

2. *Consolidated compliance activities.*—A consolidated investigation and compliance staff serves the entire Agency.

3. *Voluntary home mortgage credit.*—The program to facilitate the flow of funds for Federal Housing Administration insured and Veterans Administration guaranteed home mortgage loans into areas of shortage and for minority housing financing will expire July 31, 1959. Legislation to renew this program will be requested and estimates for staff expenses for 1960 are provided under Proposed for later transmission.

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 these activities, 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.*—The cost of site supervision and inspection and financial audit of slum clearance and urban renewal projects being planned or undertaken by local public agencies is recovered by the Government through fees.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,735	1,835	2,050
Average number of all employees	1,478	1,700	1,869
Number of employees at end of year	1,600	1,724	1,970
Average GS grade and salary	8.8 $6,548	8.9 $7,349	8.9 $7,376
01 Personal services:			
Permanent positions	$10,230,522	$12,412,000	$13,721,400
Other personal services	45,100	49,200	55,100
Total personal services	10,275,622	12,461,200	13,776,500
02 Travel	624,961	793,300	924,800
03 Transportation of things	19,261	21,000	26,000
04 Communication services	252,125	278,200	290,500
05 Rents and utility services	269,877	250,000	257,400
06 Printing and reproduction	124,663	128,000	155,000
07 Other contractual services	208,627	185,000	200,400
Services performed by other agencies	69,807	77,800	73,500
08 Supplies and materials	100,201	108,000	119,100
09 Equipment	109,142	90,000	135,700
11 Grants, subsidies, and contributions	557,045	772,600	847,600
13 Refunds, awards, and indemnities	13,430	15,000	15,000
15 Taxes and assessments	19,012	15,000	18,500
1959 program obligated in 1958	48,487	−48,487	
Total obligations	12,692,260	15,146,613	16,840,000

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OFFICE OF THE ADMINISTRATOR—Continued

Current authorizations—Continued

LIMITATION ON USE OF NONADMINISTRATIVE FUNDS FROM COLLEGE HOUSING, PUBLIC FACILITY LOANS, AND URBAN RENEWAL

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to "Salaries and expenses" (total obligations)	$1,405,849	$2,500,000	$3,000,000
Financing:			
Unobligated balance no longer available	344,151		
Limitation	1,750,000	2,500,000	3,000,000

These funds are used for activities described under Salaries and expenses, in paragraphs 5 (f) and 6 (b).

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$1,405,849	$2,500,000	$3,000,000

URBAN PLANNING GRANTS

For grants in accordance with the provisions of section 701 of the Housing Act of 1954, as amended, [$3,250,000] *$975,000. (Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, **$3,250,000** Estimate 1960, **$975,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants to planning agencies (total obligations)	$2,752,793	$3,963,081	$975,000
Financing:			
Unobligated balance brought forward	−2,190,874	−713,081	
Unobligated balance carried forward	713,081		
Appropriation (new obligational authority)	1,275,000	3,250,000	975,000

Section 701 of the Housing Act of 1954, as amended, authorized $10,000,000 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. An aggregate of $9,025,000 has been appropriated to date. The budget program calls for appropriation of the available balance of $975,000. Legislation is proposed to add $10,000,000 to the basic authorization. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$2,752,793	$3,963,081	$975,000

FARM HOUSING RESEARCH

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Farm housing research (total obligations)	$72,063		
Financing:			
Unobligated balance no longer available	$2,937		
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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$68,000		
Payment to "Salaries and expenses"	4,063		
Total obligations	72,063		

Permanent authorizations:

HOUSING STUDIES (CONTRACT AUTHORIZATION)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward (contract authorization)	−$500,000	−$1,500,000	
Unobligated balance carried forward (contract authorization)	1,500,000	2,500,000	
Contract authorization (new obligational authority)	1,000,000	1,000,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$500,000	$1,500,000	$2,500,000
Contract authorization (new)	1,000,000	1,000,000	
Unfunded balance at end of year	−1,500,000	−2,500,000	−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.

NOTE.—Expenditures from the following funds for 1959 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1959. For 1960 this paragraph is shown in the independent offices chapter, p. 161, preceding Federal Home Loan Bank Board.

Public enterprise funds:

COLLEGE HOUSING

OPERATIONS, COLLEGE HOUSING LOANS FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Loan reservations issued, net:			
(a) College housing	$189,928,100	$22,252,502	$54,000,000
(b) College service facilities	24,819,900	1,667,746	
(c) Housing for student nurses and interns	15,145,000	9,855,000	
Total reservations issued, net	229,893,000	33,775,248	54,000,000
Reservations at beginning of year	256,217,000	242,257,000	36,032,248
Reservations at close of year	−242,257,000	−36,032,248	−54,000,000
Loan commitments	243,853,000	240,000,000	36,032,248
2. Interest on borrowings	7,125,057	12,200,000	18,000,000
3. Administrative expenses	1,434,100	1,723,000	1,780,000
4. Other expense	543,191	880,000	910,000
Total program (obligations)	252,955,348	254,803,000	56,722,248

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	$175,000,000		
Revenue and receipts:			
Loan repayments and sale of bonds	1,889,000	$2,500,000	$54,000,000
Revenue	8,433,837	14,430,000	20,870,000
Total amounts becoming available	185,322,837	16,930,000	74,870,000
Unobligated balance brought forward (authorization to expend from public debt receipts):			
Reserved	256,217,000	242,257,000	36,032,248
Unreserved	85,320,759	31,648,248	
Total amounts available	526,860,596	290,835,248	110,902,248
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved	−242,257,000	−36,032,248	−54,000,000
Unreserved	−31,648,248		−180,000
Financing applied to program	252,955,348	254,803,000	56,722,248

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 2⅞%.

Budget program.—The budget program for the college housing program contemplates the enactment of proposed legislation providing a $200 million increase in the Treasury borrowing authorization for use during the current year. The proposed increase in authorization is shown under Proposed for later transmission.

For 1960, major changes in the college housing program are recommended.

Public institutions would be made ineligible for Federal loans. These institutions, which have accounted for an estimated 60% of the loan commitments under the program in recent years, can sell their tax-exempt bonds privately at interest rates approaching those which must be paid by the Treasury on borrowings of comparable maturity.

A $100 million authorization would be provided to guarantee the taxable obligations of private institutions.

The present interest rate formula would be revised to provide for interest rates ¼ of 1% above the average yields on outstanding Treasury obligations of comparable maturities. Present rates are ¼ of 1% above the average interest rate on the outstanding public debt.

No new obligational authority would be provided for 1960. Direct loan commitments of approximately $54 million will be made from the proceeds from repayments and the sale of bonds from the portfolio.

Preliminary applications are filed to determine eligibility and feasibility before the 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:

	1958 actual	*1959 estimate*	*1960 estimate*
Preliminary applications received	295	260	120
Withdrawn or rejected	54	20	34
Direct loan reservations issued	260	240	75
Loan guaranty commitments	---	---	40
Applications on hand, close of year	39	39	10

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 $236 million in the budget year. In terms of caseload, the following activity is involved:

	1958 actual	*1959 estimate*	*1960 estimate*
Withdrawn or rejected	18	5	5
Loans approved	237	210	213
Reservations outstanding and full applications on hand, close of year	178	193	65

Loans approved include an estimated 15 hospital-connected cases in 1959 and 15 in 1960.

After execution of the loan contracts, the institutions proceed with final plans and specifications, award of construction contracts, and preparation of bond indentures.

Financing.—Borrowers generally are able to finance much of the construction period with bank loans or other available funds, and the purchase of bonds is typically delayed until construction is well advanced. The projected purchases of $240 million are based on the following activity in terms of projects:

	1958 actual	*1959 estimate*	*1960 estimate*
Construction starts	223	230	250
Substantial completions	136	170	240

An estimated $50 million sale from the portfolio is predicated on a plan under which seasoned bonds will be exchanged for a similar par value of privately held Treasury bonds.

The $240 million in bond purchases less the $50 million in sales largely account for the $186 million of budget expenditures.

Operating results and financial condition.—Administrative and other expenses continue to outrun revenue from interest earnings during the period, but by a steadily decreasing margin. In 1960, the interest earnings of $2 million are in excess of cash outlays, but the balance covers only half the $465,000 increase in reserves for losses. The projected cumulative deficit of $3.5 million, including the effect of $2 million in allowance for losses on loans, is not considered great enough to warrant concern in view of the substantial portfolio earnings base which has now been established.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$167,022,900	$236,000,000	$240,000,000
Expense	9,102,348	14,803,000	20,690,000
Increase in selected working capital		1,760,199	160,000
Total gross expenditure	176,125,248	252,563,199	260,850,000

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

COLLEGE HOUSING—Continued

OPERATIONS, COLLEGE HOUSING LOANS FUND—continued

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Loans repaid and bond sales	$1,889,000	$2,500,000	$54,000,000
Revenue	8,433,837	14,430,000	20,870,000
Decrease in selected working capital	1,338,210		
Total receipts from operations	11,661,047	16,930,000	74,870,000
Budget expenditures	164,464,201	235,633,199	185,980,000

Revenue, Expense, and Retained Earnings

Revenue	$8,433,837	$14,430,000	$20,870,000
Expense	9,485,688	15,423,530	21,155,000
Net operating loss (−) for the year	−1,051,851	−993,530	−285,000
Deficit (−), beginning of year	−1,147,371	−2,199,222	−3,192,752
Deficit (−), end of year	−2,199,222	−3,192,752	−3,477,752

Financial Condition

Assets:			
Cash with Treasury and in banks	$15,172,501	$14,539,302	$18,559,302
Accounts receivable, net	96,670	100,000	115,000
Loans receivable, net	373,551,030	606,430,500	791,965,500
Accrued interest receivable, net	2,688,483	7,600,000	10,700,000
Total assets	391,508,684	628,669,802	821,339,802
Liabilities:			
Current	4,851,357	8,006,005	10,961,005
Government investment:			
Interest-bearing capital:			
Start of year	227,856,549	388,856,549	623,856,549
Borrowings from Treasury during year, net	161,000,000	235,000,000	190,000,000
End of year	388,856,549	623,856,549	813,856,549
Deficit (−)	−2,199,222	−3,192,752	−3,477,752
Total Government investment	386,657,327	620,663,797	810,378,797

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$18,636,702	$15,172,501	$14,539,302	$18,559,302
Budget authorizations	522,143,451	536,143,451	301,143,451	111,143,451
Total unexpended balance	540,780,153	551,315,952	315,682,753	129,702,753
Obligated balance, net:				
Current liabilities	2,546,188	4,851,357	8,006,005	10,961,005
Undisbursed loan obligations	198,514,400	275,344,500	279,344,500	75,376,748
Accounts and accrued interest receivable, net (−)	−1,818,194	−2,785,153	−7,700,000	−10,815,000
Total obligated balance	199,242,394	277,410,704	279,650,505	75,522,753
Unobligated balance	341,537,759	273,905,248	36,032,248	54,180,000

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, COLLEGE HOUSING LOANS

Not to exceed [$1,675,000] *$1,780,000* 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 $65,000 shall be available for expenses of travel. (*Independent Offices Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to "Salaries and expenses" (total obligations)	$1,434,100	$1,723,000	$1,780,000
Financing:			
Limitation	1,434,100	1,675,000	1,780,000
Proposed increase in limitation due to pay increases		48,000	

Object Classification

07 Other contractual services	$1,434,100	$1,723,000	$1,780,000

PUBLIC FACILITY LOANS

OPERATIONS, PUBLIC FACILITY LOANS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Loan commitments, net	$22,882,000	$25,000,000	$33,650,000
2. Interest on borrowings	189,004	750,000	1,660,000
3. Administrative expenses	421,000	436,000	550,000
4. Other expense	73,057	158,000	160,000
Total program (obligations)	23,565,061	26,344,000	36,020,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Loan repayments	3,000	50,000	220,000
Revenue	316,363	1,163,000	2,335,000
Total amounts becoming available	319,363	1,213,000	2,555,000
Unobligated balance brought forward (authorization to expend from public debt receipts):			
Reserved (approved contracts not yet executed)	3,295,000	6,362,000	6,362,000
Unreserved	85,062,328	58,749,630	33,618,630
Total amounts available	88,676,691	66,324,630	42,535,630
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved (approved contracts not yet executed)	−6,362,000	−6,362,000	−6,362,000
Unreserved	−58,749,630	−33,618,630	−153,630
Financing applied to program	23,565,061	26,344,000	36,020,000

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). Loans are restricted to a maximum 40-year term and to applicants unable to obtain funds from other sources at reasonable rates. The statute extends priority to (1) communities of less than 10,000 population and (2) water, sewage, and gas-distribution systems.

Budget program.—Over 90% 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 are not available, over 85% of the applications have been governmental units of less than 5,000 population. In general, these communities 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 a performance rating on such undertakings. Loans made

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under the program average $300,000. 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 anticipated under the program is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Applications received	152	155	155
Processing:			
Attrition before approval	63	54	50
Approvals (gross)	84	93	124
Attrition after approval	11	10	12
Approvals (net)	73	83	112

Interest rates on loans have been adjusted from time to time to meet the changes in the general trend of market interest rates. Initially established at 3.75% for general obligation bonds and 4.25% for revenue issues, the rates have been periodically adjusted; the most recent level for 30-year maturities is 4.50% for general obligations and 4.875% 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 total costs at this stage in the program, obligations against the borrowing authorization slightly exceed total loan commitments in each of these years.

Operating results.—Expenses include a $149,000 increase in the allowance for losses at the rate of 0.5% on loans disbursed, administrative expenses of $550,000, and loan servicing costs amounting to $10,000. Net interest earnings of $525,000 accrue from the approximate 1% margin between the average loan rates and the rates paid on Treasury borrowings. The cumulative deficit of $1.3 million at the close of 1960 is not considered to be disturbing at this early stage in the program. Budget expenditures, principally determined by loan disbursements, amount to an estimated $29.7 million for the budget year.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$10,651,834	$24,000,000	$30,000,000
Expense	683,061	1,344,000	2,370,000
Increase in selected working capital		92,618	
Total gross expenditure	11,334,895	25,436,618	32,370,000
Receipts from operations (funds provided):			
Loans repaid	3,000	50,000	220,000
Revenue	316,363	1,163,000	2,335,000
Decrease in selected working capital	87,752		74,000
Total receipts from operations	407,115	1,213,000	2,629,000
Budget expenditures	10,927,780	24,223,618	29,741,000

Revenue, Expense, and Retained Earnings

Revenue	$316,363	$1,163,000	$2,335,000
Expense	734,093	1,466,633	2,519,000
Net operating loss (−) for the year	−417,730	−303,633	−184,000
Deficit (−), beginning of year	−377,107	−794,837	−1,098,470
Deficit (−), end of year	−794,837	−1,098,470	−1,282,470

Financial Condition

Assets:			
Cash with Treasury and in banks	$1,796,085	$2,572,467	$2,831,467
Accounts receivable, net	125,534	646,000	1,267,000
Loans receivable, net	11,228,783	35,056,150	64,687,150
Total assets	13,150,402	38,274,617	68,785,617

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$245,239	$673,087	$1,386,087
Government investment:			
Interest-bearing capital:			
Start of year	1,400,000	13,700,000	38,700,000
Borrowings from Treasury during year, net	12,300,000	25,000,000	30,000,000
End of year	13,700,000	38,700,000	68,700,000
Deficit (−)	−794,837	−1,098,470	−1,282,470
Total Government investment	12,905,163	37,601,530	67,417,530

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$423,865	$1,796,085	$2,572,467	$2,831,467
Budget authorizations	98,600,000	86,300,000	61,300,000	31,300,000
Total unexpended balance	99,023,865	88,096,085	63,872,467	34,131,467
Obligated balance, net:				
Current liabilities	48,574	245,239	673,087	1,368,087
Undisbursed loan obligations	10,634,584	22,864,750	23,864,750	27,514,750
Accounts receivable, net (−)	−16,621	−125,534	−646,000	−1,267,000
Total obligated balance	10,666,537	22,984,455	23,891,837	27,615,837
Unobligated balance	88,357,328	65,111,630	39,980,630	6,515,630

LIMITATION ON ADMINISTRATIVE EXPENSES, 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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to "Salaries and expenses" (total obligations)	$421,000	$436,000	$550,000
Financing:			
Limitation	421,000	400,000	550,000
Proposed increase in limitation due to pay increases		36,000	

Object Classification

07 Other contractual services	$421,000	$436,000	$550,000

Public Works Planning

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), $7,000,000. (*Independent Offices Appropriation Act, 1959*).

Appropriated 1959, **$7,000,000** Estimate 1960, **$7,000,000**

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

PUBLIC WORKS PLANNING—Continued

PUBLIC WORKS PLANNING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Commitments for planning advances (total program obligations)	$7,255,809	$10,000,000	$11,150,000
Financing:			
Amounts becoming available:			
Appropriation	5,000,000	7,000,000	7,000,000
Collection of advances	1,161,385	2,000,000	3,500,000
Total amounts becoming available	6,161,385	9,000,000	10,500,000
Unobligated balance brought forward:			
Reserved (approved contracts not yet executed)	593,219	2,604,553	2,604,553
Unreserved	4,841,985	1,736,227	736,227
Total amounts available	11,596,589	13,340,780	13,840,780
Unobligated balance carried forward:			
Reserved (approved contracts not yet executed)	−2,604,553	−2,604,553	−2,604,553
Unreserved	−1,736,227	−736,227	−86,227
Financing applied to program	7,255,809	10,000,000	11,150,000

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 (12 U. S. C. 1703, 40 U. S. C. 462), and revisions were made by the Housing Amendments of 1955 (12 U. S. C. 1426 note, 12 U. S. C. 1464).

Budget program.—The program is intended to further a constant high level of essential public works construction by financing a reserve of well-planned projects. A construction potential of $1.1 billion has been created by the $16.5 million in advances approved up to the beginning of the current year, and the advances contemplated in 1959 and 1960 would raise the cumulative total of planned projects to nearly $2.5 billion. Applications have been received in a rising trend from 194 in 1956, to 416 in 1957, and 611 in 1958. Further increases in demand and program progress are expected as shown in the following caseload tabulation:

	1958 actual	*1959 estimate*	*1960 estimate*
Applications received	611	700	750
Approvals (net)	349	350	392
Applications on hand, end of year	222	342	392
Plans completed and approved	195	300	370
Projects started and advances repaid	55	80	130

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 over 75% of the approvals 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 $24 million has been appropriated through the beginning of the current year. Repayment of advances is required when construction begins.

Repayments totaling $1.2 million in 1958 began to provide a substantial source of financing for new approvals, and are expected to supply $2 million in the current year and $3.5 million in 1960. An appropriation of $7 million accordingly will permit some $11 million in approvals during the budget year.

Operating results.—Since the planning advances are interest-free (except as to repayments which become delinquent), the program has no revenue. To provide for the small percentage of projects which may not be undertaken due to changed local conditions, a reserve for losses has been established, equaling 5% of advances disbursed, and accretions to the reserve constitute the net operating loss shown on the statement of revenue, expense, and retained earnings. Adjustments in the reserve rate will be made after more experience with the program.

Budget expenditures approximately equal the difference between disbursements and repayments, and are estimated at $7.7 million in the budget year.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of planning advances	$3,419,413	$9,050,000	$11,194,573
Increase in selected working capital	112,363	106,220	25,000
Total gross expenditures	3,531,776	9,156,220	11,219,573
Receipts from operations (funds provided):			
Repayment of planning advances	1,161,385	2,000,000	3,500,000
Budget expenditures	2,370,391	7,156,220	7,719,573

Revenue, Expense, and Retained Earnings

Expense: Net operating loss (−) (increase in allowance for losses on advances receivable)	−$240,965	−$453,000	−$560,000
Deficit (−), beginning of year	−14,459	−255,424	−708,424
Deficit (−), end of year	−255,424	−708,424	−1,268,424

Financial Condition

Assets:			
Cash with Treasury and in banks	$13,316,573	$13,160,353	$12,440,780
Accounts receivable, net	118,780	225,000	250,000
Planning advances receivable, net	3,309,223	9,906,223	17,040,796
Total assets	16,744,576	23,291,576	29,731,576
Government investment:			
Non-interest-bearing capital:			
Start of year	12,000,000	17,000,000	24,000,000
Appropriation during year	5,000,000	7,000,000	7,000,000
End of year	17,000,000	24,000,000	31,000,000
Deficit (−)	−255,424	−708,424	−1,268,424
Total Government investment	16,744,576	23,291,576	29,731,576

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$10,686,964	$13,316,573	$13,160,353	$12,440,780
Obligated balance, net:				
Undisbursed advance obligations	5,258,177	9,094,573	10,044,573	10,000,000
Accounts receivable, net (−)	−6,417	−118,780	−225,000	−250,000
Total obligated balance	5,251,760	8,975,793	9,819,573	9,750,000
Unobligated balance	5,435,204	4,340,780	3,340,780	2,690,780

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Liquidating Programs

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants to local governments	$1,265,757	$267,467	
2. Disposition and management costs	2,189,927	819,055	$700,000
3. Other costs	1,968,311	140,284	143,000
Total program (obligations)	5,423,995	1,226,806	843,000
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection on loans and mortgages	13,932,990	13,145,447	13,327,000
Repayment of planning advances	1,347,960	935,599	900,000
Other receipts	7,268,053	834,760	600,250
Interest revenue on loans and mortgages	10,111,906	9,190,960	8,649,870
Recovery of prior year obligations	4,433,379	268,022	
Total amounts becoming available	37,094,288	24,374,788	23,477,120
Unobligated balance brought forward	18,630,108	11,563,088	6,599,866
Unobligated balance transferred from Reconstruction Finance Corporation liquidation fund, Treasury (Reorganization Plan No. 1, 1957)	2,627,967		
Reduction in unobligated balance transferred from Reconstruction Finance Corporation through reclassification of assets and reserves for losses (−)	−1,365,280		
Total amounts available	56,987,083	35,937,876	30,076,986
Capital transfer (repayment of investment to Treasury) (−)	−40,000,000	−28,000,000	−23,000,000
Unobligated balance transferred to "Liquidation of Hoonah housing project revolving fund," Bureau of Indian Affairs, Department of the Interior (72 Stat. 974)		−111,204	
Unobligated balance carried forward	−11,563,088	−6,599,866	−6,233,986
Financing applied to program	5,423,995	1,226,806	843,000

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. The remnants of the Reconstruction Finance Corporation public agency loan program were transferred to the liquidating programs in accordance with Reorganization Plan No. 1 of 1957.

Budget program.—Real estate disposal was largely completed during 1958; and by the close of 1960, the small amount of remaining realty will be under disposal contracts. The budget program centers on the accounting, servicing, collection and related activities for the portfolio of mortgages acquired in partial payment for properties sold; and the loans and advances to local governments.

Financing.—The principal program assets for 1959 and 1960 are represented by the portfolio of mortgages and loans totaling $189 million and $177.2 million, respectively. Estimated receipts from principal repayments and interest earned from these assets total $22.3 million and $22 million.

Operating results and financial condition.—Book losses attributable to the disposal of real property decline after 1958 and for the years ending June 30, 1959 and 1960, estimated operating results show net income of $1.4 million and $4.3 million.

The Government's original investment in the consolidated liquidating program totaled almost $2.5 billion. By the close of 1960 there will remain on hand about $204 million in assets to be disposed of. Repayments to Treasury of $28 million and $23 million estimated for 1959 and 1960 will bring the cumulative total repaid to $733 million.

The following schedule shows the Government's total net investment at the close of each year:

[In thousands]

	1958 actual	*1959 estimate*	*1960 estimate*
Non-interest-bearing investment:			
Appropriations	$2,214,712	$2,214,712	$2,214,712
Assets transferred from other agencies	276,850	276,850	276,850
Assets transferred to other agencies (−)	−387,091	−387,925	−388,135
Statutory grants and donations (−)	−768,232	−768,232	−768,232
Repayment of investment to Treasury (−)	−682,339	−710,339	−733,339
Total non-interest-bearing investment	653,900	625,066	601,856
Deficit (−)	−405,033	−403,646	−399,346
Total Government investment	248,867	221,420	202,510

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of fixed assets	$396,990		
Acquisition of other assets (judgments)	42,112		
Grants to local governments	1,265,757	$267,467	
Expense	2,431,616	1,122,504	$976,000
Adjustment of prior year expense and other transactions	528,958		
Increase in selected working capital	677,655		
Total gross expenditures	5,343,088	1,389,971	976,000
Receipts from operations (funds provided):			
Loans repaid	13,932,990	13,145,447	13,327,000
Repayment of planning advances	1,347,960	935,599	900,000
Proceeds from sale of real property	7,189,625	728,760	530,250
Revenue	10,111,906	9,190,960	8,649,870
Other receipts	78,428	106,000	70,000
Working capital transferred from Reconstruction Finance Corporation liquidation fund, Treasury (Reorganization Plan No. 1, 1957)	750,749		
Decrease in selected working capital		1,001,835	408,130
Total receipts from operations	33,411,658	25,108,601	23,885,250
Budget expenditures	−28,068,570	−23,718,630	−22,909,250

Revenue, Expense, and Retained Earnings

Proceeds from sale of real property:			
Cash	$7,189,628	$728,760	$530,250
Loans acquired through purchase money mortgages	24,573,564	1,500,000	1,500,000
Net book value of real property sold (−)	−41,931,167	−3,516,436	−3,316,250
Net loss (−) from sale	−10,167,975	−1,287,676	−1,286,000
Revenue	10,111,906	9,190,960	8,649,870
Expense (−)	−9,948,864	−6,516,299	−3,063,245
Net income or loss (−) for the year	−10,004,933	1,386,985	4,300,625
Analysis of deficit (−):			
Deficit (−), beginning of year	−394,500,534	−405,033,325	−403,646,340
Adjustment of prior year expense	−527,858		
Deficit (−), end of year	−405,033,325	−403,646,340	−399,345,715

Financial Condition

Assets:			
Cash with Treasury	$9,844,744	$5,452,170	$5,361,420
Cash on hand and in banks	604,781	600,000	600,000
Accounts receivable, net	3,611,726	2,245,427	1,945,297
Deferred and undistributed charges	555		
Loans receivable, net	200,688,284	189,042,837	177,215,837
Planning advances, net	13,604,345	12,668,746	11,768,746
Acquired security or collateral, net	7,655		
Other assets, net	2,757,222	2,660,222	2,590,222
Land, structures, and equipment, net	19,974,312	10,444,298	4,697,803
Total assets	251,093,624	223,113,700	204,179,325
Liabilities:			
Current	2,226,965	1,694,000	1,669,000
Government investment:			
Non-interest-bearing capital:			
Start of year	714,931,355	653,899,984	625,066,040
Assets transferred—			
From Reconstruction Finance Corporation liquidation fund, Treasury, pursuant to Reorganization Plan No. 1, 1957	5,890,767		
To other Federal agencies (−)	−19,539,677	−833,944	−210,000
To other public bodies (−)	−7,381,361		
Repayment of investment to Treasury (−)	−40,000,000	−28,000,000	−23,000,000
Collection of claims settled by General Accounting Office	−1,100		
End of year	653,899,984	625,066,040	601,856,040
Deficit (−)	−405,033,325	−403,646,340	−399,345,715
Total Government investment	248,866,659	221,419,700	202,510,325

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

LIQUIDATING PROGRAMS—Continued

REVOLVING FUND (LIQUIDATING PROGRAMS)—continued

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash and U. S. securities	$19,043,067	$9,844,744	$5,452,170	$5,361,420
Obligated balance, net: Current liabilities	4,279,407	2,226,965	1,694,000	1,669,000
Undisbursed loan and grant obligations	1,586,010	267,467		
Unpaid undelivered orders	837,475	3,731	3,731	3,731
Accounts receivable, net, and cash on hand and in banks (−)	−6,289,933	−4,216,507	−2,845,427	−2,545,297
Total obligated balance	412,959	−1,718,344	−1,147,696	−872,566
Unobligated balance	18,630,108	11,563,088	6,599,866	6,233,986

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, REVOLVING FUND (LIQUIDATING PROGRAMS)

During the current fiscal year not to exceed [$600,000] *$755,000* shall be available for administrative expenses (including not to exceed [$38,000] *$25,000* for travel), but this amount shall be exclusive of expenses necessary in the case of defaulted obligations to protect the interests of the Government 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. (*Independent Offices Appropriation Act, 1959.*)

Program and Financing—Administrative Expenses

	1958 actual	1959 estimate	1960 estimate
Program by activities: Management and disposition of loans, investments, and real property (total obligations)	$1,127,110	$653,000	$755,000
Financing: Transferred from "Reconstruction Finance Corporation liquidation fund," Treasury (Reorganization Plan No. 1, 1957)	−22,000		
Unobligated balance no longer available	22,545		
Limitation	1,127,655	600,000	755,000
Proposed increase in limitation due to pay increases		53,000	

Object Classification—Administrative Expenses

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		159	77	87
Average number of all employees		138	72	85
Number of employees at end of year		80	70	87
Average GS grade and salary		7.0 $5,445	6.1 $5,579	6.2 $5,610
01	Personal services: Permanent positions	$751,203	$397,675	$478,100
	Other personal services	8,405	1,500	3,700
	Total personal services	759,608	399,175	481,800
02	Travel	21,640	11,850	15,000
03	Transportation of things	749	500	
04	Communication services	21,232	14,700	17,500
05	Rents and utility services	71,441	33,500	40,000
06	Printing and reproduction	4,623	2,000	2,400
07	Other contractual services	10,443	1,840	2,500
	Payment to "Salaries and expenses"	148,200	155,000	155,000
	General Accounting Office audit	11,084	4,360	5,000
08	Supplies and materials	11,170	4,125	5,000
09	Equipment	10,839		
11	Grants, subsidies, and contributions	55,335	25,650	30,500
13	Refunds, awards, and indemnities	854	200	200
15	Taxes and assessments	437	100	100
	Total obligations	1,127,655	653,000	755,000

Program and Financing—Nonadministrative Expenses

	1958 actual	1959 estimate	1960 estimate
Program by activities: 1. Operation of federally operated projects	$307,897		
2. Disposition expenses	33,049		
Total obligations	340,946		
Financing: Unobligated balance no longer available	259,054		
Limitation	600,000		

Object Classification—Nonadministrative Expenses

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		105		
Full-time equivalent of all other positions		3		
Average number of all employees		24		
Number of employees at end of year		0		
Average GS grade and salary		5.9 $4,842		
Average salary of ungraded positions		$4,541		
01	Personal services: Permanent positions	$187,188		
	Positions other than permanent	2,503		
	Other personal services	1,309		
	Total personal services	191,000		
02	Travel	1,957		
03	Transportation of things	1,060		
04	Communication services	2,185		
05	Rents and utility services	33,728		
06	Printing and reproduction	37		
07	Other contractual services	11,920		
08	Supplies and materials	5,025		
09	Equipment	75		
11	Grants, subsidies, and contributions	5,164		
	Payments in lieu of taxes	88,253		
15	Taxes and assessments	542		
	Total obligations	340,946		

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 of larger areas not requiring clearance action. Temporary project financing through direct or guaranteed loans is provided under Treasury borrowing authorization of $1 billion. Permanent project financing is assisted by Federal capital grants defraying approximately two-thirds of net project costs, and contract authority totaling $1.25 billion has been authorized plus an additional $100 million available at the discretion of the President.

The 1959 estimates reflect the release, announced earlier this fall by the President, of this $100 million of Presidential reserve. Supplemental legislation for 1959 is assumed to enact $100 million in new capital grant authority plus an additional $100 million to restore the Presidential discretionary reserve.

The budget program assumes enactment of legislation providing an additional $250 million of contract authority annually in the years 1960, 1961, and 1962, and $200 million annually in the years 1963, 1964, and 1965. The recommended legislation would also provide for a gradual reduction in the Federal share of project costs from two-thirds in 1960 to one-half in 1963.

As a condition precedent to Federal assistance, a community is required, by statute, to develop a workable program to eliminate blight and achieve a stable well-planned community with well-organized neighborhoods. The Administrator's certification of the workable program is made for 1 year, and annual recertification based on demonstrated satisfactory progress is required for con-

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tinued eligibility for Federal assistance. The budget program projects the following activity:

	1958 actual	*1959 estimate*	*1960 estimate*
Workable program certifications	279	220	150
Recertifications	154	300	400

Since capital grants are nearly a complete measure of Government program costs, the program and financing schedule for grants and an outline of associated activities is presented first. This is followed by a similar schedule and discussion of the loan assistance portion of the program, and the combined financial statements for the entire program. Supplemental authorizations for 1959 and 1960 are anticipated under Proposed for later transmission.

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] *$100,000,000.* (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$50,000,000** Estimate 1960, **$100,000,000**

URBAN RENEWAL FUND (CAPITAL GRANTS)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital grant funds reserved, net	$300,000,000	$154,435,619	
Reservations outstanding at beginning of year	634,298,433	772,356,219	$651,791,838
Reservations outstanding at end of year (−)	−772,356,219	−651,791,838	−476,791,838
Total program (obligations)	161,942,214	275,000,000	175,000,000
Financing:			
Amounts becoming available: Contract authorization (permanent)	350,000,000	100,000,000	
Unobligated balance brought forward (contract authorization):			
Under reservation	634,298,433	772,356,219	651,791,838
Available for reservation	4,435,619	54,435,619	
Total amounts available	988,734,052	926,791,838	651,791,838
Unobligated balance carried forward (contract authorization):			
Under reservation	−772,356,219	−651,791,838	−476,791,838
Available for reservation	−54,435,619		
Financing applied to program	161,942,214	275,000,000	175,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$743,000,000	$1,093,000,000	$1,143,000,000
Contract authorization (new)	350,000,000	100,000,000	
Unfunded balance at end of year	−1,093,000,000	−1,143,000,000	−1,043,000,000
Appropriation to liquidate contract authorization		50,000,000	100,000,000

Budget program.—A reservation of capital grant authority is made to a local public agency at the time approval is given for planning of a project or preparation of a general neighborhood renewal plan. This is done to assure availability of grant assistance after a considerable period of time and substantial community investment required for the urban renewal undertaking. Planning is, in the typical case, limited to 18 months. The following table reflects the number of projects in the planning stages:

	1958 actual	*1959 estimate*	*1960 estimate*
Planning approved	137	150	160
Planning terminated	18	10	10
Planning completed	106	115	125
Planning in process at year end	268	293	318

The execution phase occurs usually over a period of several years, during which Federal progress payments are made as substantial action is completed both with respect to the project itself and the provision of the local share of project cost. These progress payments permit the retirement of temporary project financing, thus achieving savings in project costs. It is estimated that during the budget year payment of Federal grants will total $100 million bringing the cumulative disbursements to $307 million. The numbers of projects entering, completing, and remaining in the execution stage are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Projects entering execution	106	110	120
Projects completed	7	25	40
Projects in execution at year end	276	361	441

In addition to capital grants for net project costs, relocation payments and demonstration grant payments are made. 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. Of the $100 million in Federal grants to be paid in the budget year, $11 million represents relocation grants and $1.6 million demonstration grants.

URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Loan contracts executed, net:			
1. Planning advances	$8,787,281	$12,365,000	$13,000,000
2. Temporary loans	154,424,091	401,629,000	355,000,000
3. Definitive loans		5,000,000	5,000,000
Total loan and advance commitments	163,211,372	418,994,000	373,000,000
Adjustment to obligations under proposed legislation: Estimated availability of private financing			−271,250,000
Total loan obligations	163,211,372	418,994,000	101,750,000
4. Interest on borrowings	1,677,717	2,028,790	2,028,800
5. Other	822,859	1,540,400	2,020,400
Total program (obligations)	165,711,948	422,563,190	105,799,200
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Repayment of Federal planning advances	2,333,503	10,000,000	11,000,000
Repayment of Federal temporary loans from project settlement funds	8,647,711	30,000,000	30,000,000
Revenue	2,443,948	3,628,120	4,138,265
Other receipts	21,163		
Commitments retired: Non-Federal guaranteed loans repaid from project settlement funds	12,092,240	35,000,000	40,100,000
Recovery of prior year obligations under proposed technical legislation			527,027,146
Total amounts becoming available	25,538,565	78,628,120	612,265,411
Unobligated balance brought forward (authorization to expend from public debt receipts)	682,869,059	542,695,676	198,760,606
Total amounts available	708,407,624	621,323,796	811,026,017
Unobligated balance carried forward (authorization to expend from public debt receipts)	−542,695,676	−198,760,606	−705,226,817
Financing applied to program	165,711,948	422,563,190	105,799,200

Budget program.—The Treasury borrowing authority provides loan assistance in financing the planning and execution of urban renewal projects by the following types of commitments:

1. *Planning advances.*—The financing of planning costs directly associated with the project and repayable with interest from project funds.

2. *Temporary loans.*—Initial financing needs under the contract are generally met through direct short-term

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

URBAN RENEWAL—Continued

URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)—con.

Federal loans. Thereafter the redevelopment agency generally relies upon private borrowings secured by pledge of the Federal loan commitment. Temporary loans are repaid from the proceeds of land sales and from local and Federal cash grants.

3. *Definitive loans.*—Commitments issued to secure private financing for the net value of redeveloped land which is leased rather than sold.

Experience has shown that only a minor portion of Federal loan commitments is outstanding at any one time as direct Federal loans. The loan commitment covers total project expenditures, but these expenditures are incurred over several years typically required for project execution, and early borrowings are retired progressively from the sale of land in portions of the project prepared for reuse, and from local and Federal grants. In addition, private financing secured by the Federal loan commitment is relied upon as the source for approximately 75% of temporary loans and all definitive loans. In the period covered by this budget program, the situation is projected as follows:

[In thousands]

	1958 actual	*1959 estimate*	*1960 estimate*
Total Federal loan commitments at close	$457,721	$801,665	$1,093,565
Unutilized	257,574	510,535	696,535
Non-Federal guaranteed loans	131,292	221,292	326,192
Federal loans and advances	68,855	69,838	70,838

Financing.—The financing section of the schedule shows the retirement of commitments underlying non-Federal guaranteed loans as well as direct Federal loans. Unlike the sources and application of funds statement following this narrative, this schedule excludes Federal loans refunded by private loans—amounting to $8.5, $35 and $40 million during the respective years—and consequently not affecting Federal loan commitments.

The column for 1960 also shows the effect of proposed technical amendments to the basic legislation redefining obligations against the Treasury borrowing authority as the estimated maximum direct Federal loans. The program will have progressed in the budget year to a point where the gross contracts outstanding will exceed the $1 billion borrowing authority, but an augmented borrowing authorization would serve no useful purpose since it is not expected that the Treasury would ever be called upon to provide these additional funds. Obligations against the authority are estimated at the face amount of planning advance commitments, and 25% of temporary loan commitments. The adjusting entries to the 1960 column are calculated as follows:

FISCAL YEAR 1960

[In thousands]

	Total	*Planning advances*	*Temporary loans*	*Definitive loans*
Adjustment of new loan commitments:				
New loan commitments	$373,000	$13,000	$355,000	$5,000
Estimated private financing	−271,250		−266,250	−5,000
Estimated Federal loan exposure (obligations)	101,750	13,000	88,750	
Recovery of prior year obligations:				
Outstanding loans and commitments, end of 1959	801,664	30,495	766,169	5,000
Prior year commitments retired in 1960	−81,100	−11,000	−70,000	−100
Net commitments	720,564	19,495	696,169	4,900
Estimated Federal loan exposure	−193,537	−19,495	−174,042	
Adjustment of prior year obligations	527,027		522,127	4,900

Operating results and financial condition.—The margin of interest earnings continues to be inadequate to balance actual losses plus allowances for losses on the unsecured planning advances, hence the deficit at the close of the budget year is estimated to rise to $1.7 million. The deficit excludes cumulative expenditures of $307 million for capital grants and $35.6 million for administrative costs paid from appropriated funds.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of advance planning loans	$6,719,336	$11,033,000	$12,000,000
Acquisition of temporary loans	32,689,257	65,000,000	70,000,000
Capital grants to local public agencies	34,259,170	69,428,393	87,439,000
Relocation grants	784,133	5,000,000	11,000,000
Demonstration grants	188,693	1,219,000	1,561,000
Expense	2,500,576	3,548,790	4,028,800
Increase in selected working capital	392,880	28,595	
Total gross expenditures	77,534,045	155,257,778	186,028,800
Receipts from operations (funds provided):			
Advance planning loans repaid	2,333,503	10,000,000	11,000,000
Temporary loans repaid	17,163,361	65,000,000	70,000,000
Revenue	2,443,948	3,628,120	4,138,265
Adjustment of prior year transactions	7,524		
Decrease in selected working capital			88,000
Total receipts from operations	21,948,336	78,628,120	85,226,265
Budget expenditures	55,585,709	76,629,658	100,802,535

Revenue, Expense, and Retained Earnings

Revenue	$2,443,948	$3,628,120	$4,138,265
Expense [1]	2,382,600	3,789,190	4,219,200
Net income or loss (−) for the year	61,348	−161,070	−80,935
Analysis of deficit (−):			
Deficit (−), beginning of year	−1,550,639	−1,481,767	−1,642,837
Adjustment of prior year transactions	7,524		
Deficit (−), end of year	−1,481,767	−1,642,837	−1,723,772

[1] Excludes expense borne by Office of the Administrator administrative expense appropriations amounting to $4,884,127 in 1958; $6,184,000 in 1959; and $7,500,000 in 1960.

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury and in banks	$30,367,437	$3,737,779	$2,935,244
Accounts receivable, net	1,865,685	2,053,086	1,746,686
Loans receivable, net	66,956,298	67,769,298	68,599,298
Total assets	99,189,420	73,560,163	73,281,228
Liabilities:			
Current	2,023,794	2,203,000	2,005,000
Government investment:			
Interest-bearing capital:			
Start of year	53,000,000	73,000,000	73,000,000
Borrowings from Treasury during year, net	20,000,000		
End of year	73,000,000	73,000,000	73,000,000
Non-interest-bearing capital:			
Start of year	157,000,000	157,000,000	207,000,000
Appropriations during year		50,000,000	100,000,000
Appropriations expended	−131,352,607	−207,000,000	−307,000,000
End of year	25,647,393		
Deficit (−)	−1,481,767	−1,642,837	−1,723,772
Total Government investment	97,165,626	71,357,163	71,276,228

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$65,953,146	$30,367,437	$3,737,779	$2,935,244
Budget authorizations:				
Authorization to expend from public debt receipts	947,000,000	927,000,000	927,000,000	927,000,000
Unfinanced contract authorization	743,000,000	1,093,000,000	1,143,000,000	1,043,000,00
Total unexpended balance	1,755,953,146	2,050,367,437	2,073,737,779	1,972,935,244

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Status of Certain Fund Balances—Continued

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance—Con.				
Obligated balance, net:				
Current liabilities	$1,771,877	$2,023,794	$2,203,000	$2,005,000
Undisbursed loan and advance obligations:				
Federally guaranteed private loans	107,709,000	131,292,005	221,292,005	----------
Other undisbursed loan commitments	160,931,071	257,574,254	510,535,255	[1] 224,450,114
Undisbursed capital grant obligations	165,145,337	291,855,555	491,208,161	566,208,161
Accounts receivable, net (−)	−1,207,250	−1,865,685	−2,053,086	−1,746,686
Total obligated balance	434,350,035	680,879,923	1,223,185,335	790,916,589
Unobligated balance	1,321,603,111	1,369,487,514	850,552,444	1,182,018,655

[1] Excludes contingent unfunded exposure of $798,277,146 representing estimated reliance on federally guaranteed private financing.

Community Disposal Operations

COMMUNITY DISPOSAL OPERATIONS FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Loans acquired to finance property disposal:			
(a) Purchase money mortgages	$11,621,200	$10,055,580	$4,658,465
(b) 3-year purchase contracts	74,075	----------	----------
(c) Improvement loans	767,950	326,250	31,500
2. Administrative and other expenses	794,822	670,000	440,000
3. Statutory credits granted to purchasers:			
Priority purchasers, 15%	3,661,185	2,342,885	270,140
Waiver of indemnity, 10%	2,439,729	1,561,920	180,090
Credit for property improvements	998,774	626,130	60,000
Total program (obligations)	20,357,735	15,582,765	5,640,195
Financing:			
Amounts becoming available:			
Assets transferred from Atomic Energy Commission at appraised value	28,566,783	22,427,630	9,366,315
Value added by property improvements financed at sale	767,950	326,250	31,500
Collection of mortgages and purchase contracts	1,332,637	491,198	1,000,000
Sale of mortgages	5,682,321	8,500,000	8,000,000
Interest and other revenue	580,779	520,000	715,000
Gain or loss (−) on the sale of realty	93,873	−95,000	−104,025
Total amounts becoming available	37,024,343	32,170,078	19,008,790
Unobligated balance brought forward	1,646,063	2,312,671	899,984
Total amounts available	38,670,406	34,482,749	19,908,774
Capital transfer (repayment of investment to Treasury) (−)	−16,000,000	−18,000,000	−13,000,000
Unobligated balance carried forward	−2,312,671	−899,984	−1,268,579
Financing applied to program	20,357,735	15,582,765	5,640,195

The Atomic Energy Community Act of 1955 (69 Stat. 471) provides for the disposition of the Government-owned properties at Oak Ridge, Tenn., and Richland, Wash. The sales and financing functions under the act were transferred to the Housing and Home Finance Administrator by Executive Order 10657.

Budget program.—Sales are scheduled by types of properties, which include not only single-family and duplex residences, but apartments, vacant residential lots, business structures and land zoned for commercial and industrial use. Virtually all the small home properties at Oak Ridge had been sold prior to 1959; some 2,000 properties of this type remain at Richland, most of which will be sold in the current year. Sales of business structures, involving more complex negotiations, are proceeding at both locations. The bulk of the apartment and vacant land parcels, requiring the preparation of extensive factual material to assure adequate bidding, are scheduled for open offerings in 1959 and 1960. All but a small group of 66 nonresidential properties at Richland, appraised at $1.9 million, are scheduled for disposal prior to the end of 1960.

The following schedule shows disposition by general property type and community:

[Dollars in millions]

	Total		*Actual through June 30, 1958*		*1959 estimate*		*1960 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Oak Ridge, Tenn.:								
Residential	6,110	$28.8	4,693	$22.3	901	$2.8	516	$3.7
Nonresidential	277	2.9	114	1.9	63	.7	100	.3
Subtotal	6,387	31.7	4,807	24.2	964	3.5	616	4.0
Richland, Wash.:								
Residential	5,122	40.4	2,600	22.1	2,259	15.9	263	2.4
Nonresidential	216	6.2	-----	-----	120	3.1	96	3.1
Subtotal	5,338	46.6	2,600	22.1	2,379	19.0	359	5.5
Total	11,725	78.3	7,407	46.3	3,343	22.5	975	9.5

The budget assumes that at Oak Ridge 25% of the remaining residential properties will be sold for cash and 75% with purchase money mortgages; all of the nonresidential properties will be sold for cash. At Richland 30% of all the properties sold will be for cash and 70% with purchase money mortgages.

Sales proceeds in 1960 are estimated at $4.1 million in cash and $4.6 million in purchase money mortgages.

Statutory credits granted to occupants of single-family and duplex houses who received priority rights to purchase amounted to $510,230.

The total amount of statutory credits allowed on sales is shown below:

[In thousands]

	Total	*Actual through June 30, 1958*	*1959 estimate*	*1960 estimate*
15%—occupant priority purchasers	$9,231	$6,618	$2,343	$270
10%—indemnity waiver	6,153	4,411	1,562	180
Credit for tenant improvements	2,129	1,443	626	60
Total	17,513	12,472	4,531	510

Financing.—Accountability is assumed for properties at their appraised value at the time a sale is concluded.

The collections of amortization payments on mortgages in 1960 is estimated at $1 million and interest and other revenue will amount to $715,000.

Operating results.—Losses on realty sales, estimated at $95,000 in 1959 and $104,025 in 1960, reflect probable realization on certain vacant residential lots to be sold at competitive bid, no offers at appraised value having been received from priority classifications of purchasers. On hand at the end of 1960 are an estimated portfolio of 1,154 purchase money mortgages with a principal balance of $7.9 million and cash and receivables totaling $1.3 million. Not yet transferred from Atomic Energy Commission, pending the arrangement of final sale contracts, will be the $1.9 million on nonresidential parcels at Richland.

Cumulative payments to the Treasury will amount to $53 million with a repayment of Government investment of $13 million in 1960. The following table shows the cumulative results of the disposal program at the close of the 3 years covered by the budget. The statutory allowances, included as part of the deficit in the 1959 budget, have been segregated in current financial statements in order to provide a more informative analysis of program results.

[In thousands]

	1958 actual	*1959 estimate*	*1960 estimate*
Government investment:			
Assets transferred from Atomic Energy Commission at appraised value	$48,536	$70,964	$80,330
Statutory allowances (−)	−12,472	−17,003	−17,513
Repayment of investment to Treasury (−)	−22,000	−40,000	−53,000
Deficit (−)	−570	−815	−644
Total Government investment	13,494	13,146	9,173

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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)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Purchase money mortgages	$11,621,200	$10,055,580	$4,658,465
3-year purchase contracts	74,075		
Improvement loans made	767,950	326,250	31,500
Expense	794,822	670,000	440,000
Increase in selected working capital		198,645	255,000
Total gross expenditures	13,258,047	11,250,475	5,384,965
Receipts from operations (funds provided):			
Sale of property	22,328,918	18,127,945	8,783,560
Repayments of mortgages and purchase contracts	1,332,637	491,198	1,000,000
Sale of mortgages	5,682,321	8,500,000	8,000,000
Revenue	580,779	520,000	715,000
Decrease in selected working capital	171,266		
Total receipts from operations	30,095,921	27,639,143	18,498,560
Budget expenditures	−16,837,874	−16,388,668	−13,113,595

Revenue, Expense, and Retained Earnings

Appraised value of realty sold after statutory allowances	$22,235,045	$18,222,945	$8,887,585
Proceeds of real estate sales	22,328,918	18,127,945	8,783,560
Net gain or loss (−) from sale of realty	93,873	−95,000	−104,025
Book value of mortgages sold	5,570,413	8,500,000	8,000,000
Proceeds of mortgage sales	5,682,321	8,500,000	8,000,000
Net gain from sale of mortgages	111,908		
Operating income or loss:			
Revenue	580,779	520,000	715,000
Expense	794,822	670,000	440,000
Net operating income or loss (−)	−214,043	−150,000	275,000
Net income or loss (−) for the year	−8,262	−245,000	170,975
Deficit (−), beginning of year	−561,969	−570,231	−815,231
Deficit (−), end of year	−570,231	−815,231	−644,256

Financial Condition

Assets:			
Cash with Treasury and in banks	$2,816,316	$1,204,984	$1,318,579
Accounts receivable	40,792	40,000	25,000
Purchase money mortgages (includes improvement loans)	11,065,301	12,245,881	7,904,346
3-year purchase contracts	116,198		
Total assets	14,038,607	13,490,865	9,247,925
Liabilities:			
Current	544,437	345,000	75,000
Government investment:			
Non-interest-bearing capital:			
Start of year	8,597,306	14,064,401	13,961,096
Assets transferred from Atomic Energy Commission during the year	28,566,783	22,427,630	9,366,315
Statutory allowances	−7,099,688	−4,530,935	−510,230
Repayment of investment to U. S. Treasury (−)	−16,000,000	−18,000,000	−13,000,000
End of year	14,064,401	13,961,096	9,817,181
Deficit (−)	−570,231	−815,231	−644,256
Total Government investment	13,494,170	13,145,865	9,172,925

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$1,978,442	$2,816,316	$1,204,984	$1,318,579
Obligated balance, net:				
Current liabilities	355,394	544,437	345,000	75,000
Accounts receivable (−)	−23,015	−40,792	−40,000	−25,000
Total obligated balance	332,379	503,645	305,000	50,000
Unobligated balance	1,646,063	2,312,671	899,984	1,268,579

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Voluntary home mortgage credit (total obligations)			$225,000
Financing:			
Proposed supplemental appropriation			225,000

Under proposed legislation, 1960.—A supplemental appropriation in the amount of $225,000 is anticipated to continue the voluntary home mortgage credit program, to facilitate the flow of mortgage funds into remote areas, and for minority housing.

URBAN PLANNING GRANTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants to planning agencies (total obligations)			$2,275,000
Financing:			
Proposed supplemental appropriation			2,275,000

Under proposed legislation, 1960.—Legislation will be proposed to increase the $10 million authorization to $20 million. Appropriation of $2,275,000 is anticipated in conjunction with the regular appropriation thus providing for $3,250,000 in commitments for planning assistance during 1960.

COLLEGE HOUSING

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
College housing and dining facilities (loan reservations issued, net)		$200,000,000	
Reservations at beginning of year			$200,000,000
Reservations at close of year		−200,000,000	
Total obligations (loan commitments)			200,000,000
Financing:			
Proposed supplemental authorization to expend from public debt receipts		200,000,000	
Unobligated balance brought forward (authorization to expend from public debt receipts): Reserved			200,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts): Reserved		−200,000,000	
Financing applied to program			200,000,000

Under proposed legislation, 1959.—Legislation will be proposed to increase the authorization to expend from public debt receipts for college housing loans in the amount of $200 million in 1959.

URBAN RENEWAL

URBAN RENEWAL FUND (CAPITAL GRANTS)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital grant funds reserved (net)		$100,000,000	$250,000,000
Reservations outstanding at beginning of year			100,000,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Reservations outstanding at end of year (—)		—$100,000,000	—$250,000,000
Total program (obligations)			100,000,000
Financing:			
Proposed supplemental contract authorization		100,000,000	250,000,000
Unobligated balance brought forward (contract authorization): Reserved			100,000,000
Total amounts available		100,000,000	350,000,000
Unobligated balance carried forward (contract authorization): Reserved		—100,000,000	—250,000,000
Financing applied to program			100,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year			$100,000,000
Contract authorization (new)		$100,000,000	250,000,000
Unfunded balance at end of year		—100,000,000	—350,000,000
Appropriation to liquidate contract authorization			

Under proposed legislation, 1959 and 1960.—Legislation will be proposed to increase the contract authorization for capital grants for urban renewal by $100 million in 1959 and by $250 million in 1960 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

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$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			

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 the furtherance of the programs enacted in the Federal Flood Insurance Act of 1956. No borrowings have been made or are proposed.

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.

NOTE.—Expenditures from the following funds for 1959 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1959. For 1960 this paragraph is shown in the independent offices chapter, p. 161, preceding Federal Home Loan Bank Board.

Public enterprise funds:

LOANS FOR SECONDARY MARKET OPERATIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Loans to the secondary market operations fund (total program obligations)	$703,444,013	$415,000,000	$485,000,000
Financing:			
Amounts becoming available:			
Repayments of loans by the secondary market operations fund	706,677,827	415,000,000	485,000,000
Authorization to expend from public debt receipts	965,000,000		
Total amounts becoming available	1,671,677,827	415,000,000	485,000,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	1,346,766,186	2,315,000,000	2,315,000,000
Total amounts available	3,018,444,013	2,730,000,000	2,800,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	—2,315,000,000	—2,315,000,000	—2,315,000,000
Financing applied to program	703,444,013	415,000,000	485,000,000

The secondary market operations of the Federal National Mortgage Association were authorized by the Housing Act of 1954 to provide limited liquidity for Government insured and guaranteed mortgages and to improve the distribution of investment capital available for home mortgage financing. This assistance to the secondary market for home mortgages 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 institutional mortgage investors. Purchases and sales may be made only at such prices and on such terms as will reasonably 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 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.

The secondary market operations were initially capitalized by the issuance of $92.8 million of Federal National Mortgage Association preferred stock to the Secretary of the Treasury. Subsequently, increased preferred stock subscriptions by the Secretary of the Treasury, amounting to $50 million (Public Law 85–10 approved March 27, 1957) and $65 million (Public Law 85–104 approved July 12, 1957) were authorized, of which $50 million was subscribed in 1957. 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.

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FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

LOANS FOR SECONDARY MARKET OPERATIONS—Continued

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 its 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 encumbrances, representing cash, mortgages, United States Government securities, and securities 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.—Mortgage purchases by the secondary market operations, are estimated to increase in the budget year while mortgage sales are expected to continue at the 1959 level but well below the peak volume reached in 1958. This is shown by the following table setting forth the principal activities of the secondary market operations.

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Mortgage purchases (net of discount)	$550.2	$526.8	$662.6
Mortgage sales (net of discount)	374.6	95.3	95.3
Repayments and other credits	39.0	47.8	57.6
Balance in portfolio at end of year	1,334.2	1,717.9	2,227.6

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 the ratio of equity to value of the subject property. The budget assumes that mortgages will be purchased during 1959 and 1960 at average discounts of 4.2 and 5.5 points, respectively, below their face value and that sales will be made at an average price 0.8 points above the purchase price.

Financing.—Substantial interim Treasury borrowings will be necessary in 1959 and 1960, 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 the sale of mortgages to the investing public, 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. The amounts of the principal financing balances outstanding at year end are summarized on the following table:

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Private financing:			
Nonguaranteed debentures	$1,165.2	$1,515.0	$2,000.0
Common stock subscribed	36.5	47.7	61.7
Treasury financing: Preferred stock	142.8	142.8	142.8

Operating results.—Operations are reflected in budget expenditures only to the extent of Treasury financing.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loans to the secondary market operations fund	$703,444,013	$415,000,000	$485,000,000
Receipts from operations (funds provided):			
Repayments of loans by the secondary market operations fund	706,677,827	415,000,000	485,000,000
Budget expenditures	−3,233,814		

SPECIAL ASSISTANCE FUNCTIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operations:			
1. Mortgage servicing fees	$296,787	$2,600,000	$5,400,000
2. Interest on Treasury borrowings	2,570,446	20,750,000	44,600,000
3. Other obligations	564,055	2,000,000	2,000,000
Total operations	3,431,288	25,350,000	52,000,000
Capital outlay:			
4. Mortgage purchase commitments:			
Armed services housing	298,497,706	15,000,000	15,000,000
Cooperative housing	66,451,300	20,000,000	20,000,000
Low cost housing ($13,500 or less)	411,560,346	588,440,000	
Urban renewal and relocation housing	143,023,162	263,200,000	349,950,000
Housing for the elderly	17,313,722	30,000,000	40,000,000
Other	11,846,896	9,000,000	12,000,000
Total capital outlay	948,693,132	925,640,000	436,950,000
Total program (obligations)	952,124,420	950,990,000	488,950,000
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	2,050,000,000		
Revenue and receipts:			
Mortgage loan repayments and sales	5,869,750	47,965,000	139,625,000
Interest on mortgage loans	3,715,244	30,250,000	64,500,000
Commitment fees	6,135,701	7,000,000	3,400,000
Purchase and marketing fees and other receipts	891,041	6,955,000	5,000,000
Recovery of prior year obligations	56,102,173	83,624,799	50,405,000
Total amounts becoming available	2,122,713,909	175,794,799	262,930,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	239,177,856	1,399,600,713	590,405,512
Total amounts available	2,361,891,765	1,575,395,512	853,335,512
Capital transfer (payment of dividend to Treasury) (−)	−2,444,739		
Unobligated balance carried forward (authorization to expend from public debt receipts)	−1,399,600,713	−590,405,512	−324,085,512
Unobligated balance no longer available (authorization to expend from public debt receipts)	−7,721,893	−34,000,000	−40,300,000
Financing applied to program	952,124,420	950,990,000	488,950,000

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 $950 million outstanding at any one time.

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No additional legislative authorization is needed for the programs contemplated during the period covered by these estimates.

In addition to the special programs the Association may undertake pursuant to specific direction of the President, the Association is also 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; to make commitments to purchase and to purchase mortgages on armed services family housing insured under title VIII of that act, up to a limit of $500 million outstanding at any one time; and, within a limitation of $1 billion outstanding at any one time, to make commitments to purchase and to purchase Federal Housing Administration insured and Veterans' Administration guaranteed mortgages of $13,500 or less covering low and moderate priced housing on which construction had not commenced at the time application was made for Federal National Mortgage Association's commitment.

The Association is required by Public Law 1020 (70 Stat. 1091), and Public Law 85–104, to pay not less than 99% of the unpaid principal balance for special assistance mortgages purchased under contracts entered into during the period between August 7, 1956, and July 12, 1957, and not less than par (100%) for mortgages purchased under contracts executed between July 12, 1957, and August 7, 1958. The latter legislative requirement was not reenacted and commitments to purchase most mortgages are currently issued at less than par.

Federal National Mortgage Association special assistance functions are financed principally by Treasury borrowings, and all benefits and burdens of the program inure solely to the Secretary of the Treasury.

Budget program.—During 1959 and 1960, Federal National Mortgage Association will provide special assistance, under Presidential determination, for (1) housing in or supporting urban renewal areas of the types to be insured under sections 220 and 221 of the National Housing Act; (2) housing for the elderly; (3) housing in Alaska and Guam; and (4) disaster housing. In addition, cooperative, low-cost ($13,500 or less), and armed services housing will be assisted under the special authority cited above.

Mortgage purchase commitments by the special assistance functions are estimated to decline from $949 million in 1958 to $926 million in 1959 to $437 million in 1960. The principal factors in these changes are as follows:

The $1 billion special authorization for the purchase of low-cost housing mortgages enacted in April 1958 as an antirecession measure will be exhausted by commitments of $412 million in 1958 and $588 million in 1959. No additional commitment authority is requested for 1960.

New commitments for armed services housing will decline from $298 million in 1958 to $15 million in each of the years 1959 and 1960. This decline is due to the success of administrative efforts to obtain private financing for these mortgages.

Commitments for cooperative housing mortgages will decline from $66 million in 1958 to an estimated $20 million in each of the years 1959 and 1960 as a result of the exhaustion in 1958 of authority to make commitments for mortgages on builder cooperatives.

At the same time, commitments for mortgages on housing in urban renewal areas and for the relocation of displaced families are estimated to increase from $143 million in 1958 to $263 million in 1959 and $350 million in 1960. This is due chiefly to (*a*) the rapid growth in the amount of land becoming available for redevelopment under the urban renewal program and (*b*) the increasing displacement of families by urban renewal, highway, and other public improvement projects.

Commitments for mortgages originated under the relatively new program for housing for the elderly will increase from $17 million in 1958 to an estimated $30 million in 1959 and $40 million in 1960.

The purchase of mortgages, which lags well behind commitments, is shown in the following table:

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Mortgage purchases:			
1. Armed services housing	$48.3	$125.5	$174.2
2. Cooperative housing	59.1	47.0	15.0
3. Low-cost housing ($13,500 or less)		628.0	270.4
4. Urban renewal and relocation housing	19.8	122.5	181.4
5. Housing for the elderly	3.5	20.0	30.0
6. Other	14.8	7.0	9.0
Total purchases (gross)	145.5	950.0	680.0
Less purchase discount	.7	2.6	10.8
Total purchases (net)	144.8	947.4	669.2

Mortgage sales which amounted to $4.4 million in 1958 are now estimated at $25 million and at $100 million for 1959 and 1960, respectively.

Financing.—Net borrowings from the Treasury were $131.9 million in 1958 and are estimated at $868 million in 1959 and $500 million in 1960, thereby increasing the interest-bearing investment of the Government to $1,521.8 million at the end of 1960.

Operating results.—Previously, earnings were retained and paid into miscellaneous receipts of the Treasury following the year earned. A payment of $188,822 was made in 1957; another payment of $2,444,739 was made in 1958. In order to protect the Association against losses inherent in a portfolio of this size earnings will be retained.

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY

	1958 actual	*1959 estimate*	*1960 estimate*
Under Presidential Determination (Sec. 305 (c))			
Mortgage purchase authority	$950,000,000	$950,000,000	$950,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	46,476,000	187,731,000	393,097,000
Undisbursed commitments at end of year	172,328,000	320,965,000	501,050,000
Total charges against authority	218,804,000	508,696,000	894,147,000
Unused authority	731,196,000	441,304,000	55,853,000
Cooperative Housing (Sec. 305 (e))			
Mortgage purchase authority	200,000,000	200,000,000	200,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	68,171,000	102,151,000	94,221,000
Undisbursed commitments at end of year	88,631,000	56,631,000	61,631,000
Total charges against authority	156,802,000	158,782,000	155,852,000
Unused authority	43,198,000	41,218,000	44,148,000
Armed Services Housing (Sec. 305 (f))			
Mortgage purchase authority	500,000,000	500,000,000	500,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	49,563,000	155,128,000	291,828,000
Undisbursed commitments at end of year	411,492,000	293,055,000	133,309,000
Total charges against authority	461,055,000	448,183,000	425,137,000
Unused authority	38,945,000	51,817,000	74,863,000

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FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

Special Assistance Functions—Continued

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY—continued

	1958 actual	*1959 estimate*	*1960 estimate*
Low and Moderate Priced Housing (Sec. 305 (g))			
Mortgage purchase authority	$1,000,000,000	$1,000,000,000	$1,000,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	11,000	621,211,000	827,375,000
Undisbursed commitments at end of year	411,549,000	307,989,000	
Total charges against authority	411,560,000	929,200,000	827,375,000
Unused authority	588,440,000	70,800,000	172,625,000
Total All Programs			
Mortgage purchase authority	2,650,000,000	2,650,000,000	2,650,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	164,221,000	1,066,221,000	1,606,521,000
Undisbursed commitments at end of year	1,084,000,000	978,640,000	695,990,000
Total charges against authority	1,248,221,000	2,044,861,000	2,302,511,000
Unused authority	1,401,779,000	605,139,000	347,489,000

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$144,779,232	$947,375,000	$669,195,000
Expense	3,431,288	25,350,000	52,000,000
Total gross expenditures	148,210,520	972,725,000	721,195,000
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments and sales	5,869,750	47,965,000	139,625,000
Revenue	10,741,986	44,205,000	72,900,000
Decrease in selected working capital	2,623,525	12,795,327	8,670,000
Total receipts from operations	19,235,261	104,965,327	221,195,000
Budget expenditures	128,975,259	867,759,673	500,000,000

Revenue, Expense, and Retained Earnings

Revenue	$10,741,986	$44,205,000	$72,900,000
Expense	3,504,049	25,825,000	52,340,000
Net income for the year	7,237,937	18,380,000	20,560,000
Analysis of retained earnings:			
Retained earnings, beginning of year	2,444,739	7,237,937	25,617,937
Payment of dividend to Treasury (−)	−2,444,739		
Retained earnings, end of year	7,237,937	25,617,937	46,177,937

Financial Condition

Assets:			
Cash with Treasury	$759,673	$1,000,000	$1,000,000
U. S. securities, Federal Housing Administration debentures on hand	7,550	7,550	7,550
Accounts receivable, net	597,482	4,300,000	6,800,000
Loans receivable, net: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	163,166,707	1,062,101,707	1,591,331,707
Total assets	164,531,412	1,067,409,257	1,599,139,257
Liabilities:			
Current liabilities	3,542,900	20,040,745	31,210,745
Government investment:			
Interest-bearing capital:			
Start of year	21,876,892	153,750,575	1,021,750,575
Borrowings from Treasury during year, net	131,873,683	868,000,000	500,000,000
End of year	153,750,575	1,021,750,575	1,521,750,575
Retained earnings	7,237,937	25,617,937	46,177,937
Total Government investment	160,988,512	1,047,368,512	1,567,928,512

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash and U. S. securities	$313,538	$767,223	$1,007,550	$1,007,550
Budget authorization	575,374,283	2,485,778,707	1,583,778,707	1,043,478,707
Total unexpended balance	575,687,821	2,486,545,930	1,584,786,257	1,044,486,257
Obligated balance, net:				
Current liabilities	413,870	3,542,900	20,040,745	31,210,745
Undisbursed mortgage commitments	336,188,072	1,083,999,799	978,640,000	695,990,000
Accounts receivable, net (−)	−91,977	−597,482	−4,300,000	−6,800,000
Total obligated balance	336,509,965	1,086,945,217	994,380,745	720,400,745
Unobligated balance	239,177,856	1,399,600,713	590,405,512	324,085,512

Management and Liquidating Functions Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operations:			
Mortgage servicing fees	$10,369,058	$9,700,000	$8,150,000
Interest on borrowings from the public	46,549,771	29,000,000	29,000,000
Other	2,086,044	1,900,196	2,250,000
Interest on Treasury borrowings	21,947,025	28,500,000	20,500,000
Total operations	80,951,898	69,100,196	59,900,000
Capital outlay: Administrative furniture and equipment	98,244	75,000	50,000
Total program (obligations)	81,050,142	69,175,196	59,950,000
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Mortgage loan repayments and sales	138,146,186	160,000,000	485,000,000
Sale of administrative property	8,686	5,000	5,000
Interest on mortgage loans	95,164,627	88,250,000	73,900,000
Interest on U. S. securities	1,384,514	1,750,000	1,500,000
Other revenue	153,488	135,000	125,000
Recovery of prior year obligations	28,883		
Total amounts becoming available	234,886,384	250,140,000	560,530,000
Unobligated balance brought forward:			
Cash		390,386	
Investment in U. S. securities: Federal Housing Administration debentures	23,338,448	42,297,450	34,211,640
Authorization to expend from public debt receipts	274,400		
Total amounts available	258,499,232	292,827,836	594,741,640
Unobligated balance carried forward:			
Cash	−390,386		
Investment in U. S. securities: Federal Housing Administration debentures	−42,297,450	−34,211,640	−24,791,640
Unobligated balance no longer available (authorization to expend from public debt receipts)	−134,761,254	−189,441,000	−510,000,000
Financing applied to program	81,050,142	69,175,196	59,950,000

The Association, in its management and liquidating functions, is required by law to manage and liquidate its portfolio of mortgages acquired under commitments made before November 1, 1954, in an orderly manner, with a minimum adverse effect upon the home mortgage market and minimum loss to the Federal Government. Liquidation of the portfolio is accomplished through regular repayments according to their amortization schedules, sales of mortgages as rapidly as they can be absorbed by private investors without serious disruption of normal market conditions, and as the result of other principal credits arising from prepayments and foreclosures. The mortgage purchasing phase of this activity has been completed, leaving only the management and ultimate liquidation of the portfolio to be completed.

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Budget program.—There will be no mortgages purchased for this portfolio during the period covered by these estimates, the purchasing program having been completed during 1958. The advance contracts and commitments entered into by the Association prior to enactment of the Federal National Mortgage Association Charter Act of 1954 were completely liquidated during 1958.

Sales of mortgages from the management and liquidating portfolio are estimated at $10 million during 1959 and $335 million for 1960. The estimated increased sales volume in 1960 as compared with 1959 is predicated on a plan under which Federal National Mortgage Association will effect the exchange of mortgages from this portfolio for a like dollar volume of privately held Treasury bonds.

Liquidation of mortgage principal resulting from repayments, prepayments, foreclosures, and transfers in lieu of foreclosures are estimated to amount to $150 million in 1960 and will reduce the portfolio by that amount.

Financing.—As of June 30, 1958, outstanding notes held by private investors amounted to $803.8 million, $6.4 million of which had matured but which had not then been presented for redemption. The remaining $797.4 million will not mature during the period covered by these estimates. These nonguaranteed notes were issued to the public in January 1958 and will mature in August 1960. The proceeds were used to refinance the $570.4 million issue of notes marketed in 1955 and to reduce Federal National Mortgage Association's indebtedness to the Treasury by $227 million.

Operating results.—As a consequence of a reduction in the outstanding portfolio, estimated net income in 1960 will decline from the amount estimated for 1959. However, the estimated income for both 1959 and 1960 is somewhat higher than in 1958, during which a nonguaranteed note issue of $802.1 million at a relatively high interest cost was used to finance part of the mortgage portfolio.

All benefits and burdens of functions inure solely to the Secretary of the Treasury.

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY

	1958 actual	*1959 estimate*	*1960 estimate*
Mortgage purchase authority [1]	$2,195,633,057	$2,036,608,057	$1,552,583,057
Charges against authority: Mortgages outstanding at end of year	2,195,633,057	2,036,608,057	1,552,583,057
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)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$245,517		
Administrative furniture and equipment	98,244	$75,000	$50,000
Expense	80,963,090	69,100,000	59,900,000
Increase in selected working capital			580,000
Total gross expenditures	81,306,851	69,175,000	60,530,000
Receipts from operations (funds provided):			
Mortgage loan repayments and sales	138,146,186	160,000,000	485,000,000
Proceeds of sale of administrative furniture and equipment	8,686	5,000	5,000
Revenue	96,702,629	90,135,000	75,525,000
Decrease in selected working capital	4,074,208	9,246,643	
Total receipts from operations	238,931,709	259,386,643	560,530,000
Budget expenditures	−157,624,858	−190,211,643	−500,000,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$96,702,629	$90,135,000	$75,525,000
Expense	81,005,110	69,150,000	59,950,000
Net operating income	15,697,519	20,985,000	15,575,000
Nonoperating income:			
Proceeds from sale of administrative property and equipment	8,686	5,000	5,000
Net book value of assets sold (−)	−5,476	−5,000	−5,000
Net gain from sale	3,210		
Net income for the year	15,700,729	20,985,000	15,575,000
Retained earnings, beginning of year	93,709,878	109,410,607	130,395,607
Retained earnings, end of year	109,410,607	130,395,607	145,970,607

Financial Condition

Assets:			
Cash with Treasury and on hand	$17,429,357	$200,000	$200,000
U. S. securities, Federal Housing Administration debentures on hand	42,297,450	60,297,450	50,297,450
Accounts receivable, net	41,700,409	16,000,000	13,000,000
Deferred charges and prepaid expense	4,804	5,000	5,000
Investment in Defense Housing Corporation assets, net	22,842,503	21,867,503	20,892,503
Federal Housing Administration insured and Veterans Administration guaranteed mortgages	2,195,208,375	2,036,208,375	1,552,208,375
Direct mortgage loans transferred from Reconstruction Finance Corporation	424,682	399,682	374,682
Administrative furniture and equipment, net	301,695	321,695	316,695
Total assets	2,320,209,275	2,135,299,705	1,637,294,705
Liabilities:			
Current	58,723,045	42,269,475	38,689,475
Debentures payable to the public:			
Unmatured	797,344,000	797,344,000	797,344,000
Matured and unredeemed	6,441,000		
Total debentures payable to the public	803,785,000	797,344,000	797,344,000
Government investment:			
Interest-bearing capital:			
Start of year	1,716,188,477	1,348,290,623	1,165,290,623
Borrowings from Treasury during year, net	−367,897,854	−183,000,000	−510,000,000
End of year	1,348,290,623	1,165,290,623	655,290,623
Retained earnings	109,410,607	130,395,607	145,970,607
Total Government investment	1,457,701,230	1,295,686,230	801,261,230

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash and U. S. securities	$36,588,803	$59,726,807	$60,497,450	$50,497,450
Budget authorization	274,400			
Total unexpended balance	36,863,203	59,726,807	60,497,450	50,497,450
Obligated balance, net:				
Current liabilities	57,840,260	58,723,045	42,269,475	38,689,475
Undisbursed mortgage purchase obligations	274,400			
Unpaid undelivered orders	21,191	16,335	16,335	16,335
Accounts receivable, net (−)	−44,885,496	−41,700,409	−16,000,000	−13,000,000
Total obligated balance	13,250,355	17,038,971	26,285,810	25,705,810
Unobligated balance	23,612,848	42,687,836	34,211,640	24,791,640

Limitation on Administrative Expenses, Federal National Mortgage Association

Not to exceed [$4,750,000] *$6,100,000* 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, improve-

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FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

ment, 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 [$137,500] *$200,000* shall be available for expenses of travel.

[The limitation under this head in title II of the Independent Offices Appropriation Act, 1959, on administrative expenses of the Association, is increased by $700,000; and the limitation thereunder on expenses of travel, is increased by $50,000.] *(12 U. S. C. 1716–1723d; 5 U. S. C. 133z–15; Independent Offices Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Secondary market operations	$2,250,956	$1,750,000	$2,000,000
2. Special assistance functions	556,161	2,000,000	2,000,000
3. Management and liquidating functions	1,885,586	1,800,000	2,100,000
Total accrued administrative expenses	4,692,703	5,550,000	6,100,000
Financing:			
Unobligated balance no longer available	57,297		
Limitation	4,750,000	5,450,000	6,100,000
Proposed increase in limitation due to pay increases		100,000	

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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	777	825	901
Average number of all employees	672	776	846
Number of employees at end of year	711	800	860
Average GS grade and salary	6.3 $5,564	6.3 $5,515	6.6 $5,698
01 Personal services:			
Permanent positions	$3,610,593	$4,301,500	$4,826,700
Other personal services	131,491	102,500	90,000
Total personal services	3,742,084	4,404,000	4,916,700
02 Travel	113,565	187,500	200,000
03 Transportation of things	8,540	9,900	10,000
04 Communication services	73,095	84,200	85,000
05 Rents and utility services	358,946	378,300	389,200
06 Printing and reproduction	30,984	35,800	36,000
07 Other contractual services	77,953	89,900	92,900
General Accounting Office audit expense	18,000	18,000	18,000
Payment to employees' life insurance fund	11,144	16,500	17,000
08 Supplies and materials	37,719	43,500	43,900
11 Grants, subsidies, and contributions	218,327	280,400	289,300
15 Taxes and assessments	2,346	2,000	2,000
Total accrued administrative expenses	4,692,703	5,550,000	6,100,000

FEDERAL HOUSING ADMINISTRATION

NOTE.—Expenditures from the following fund for 1959 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1959. For 1960 this paragraph is shown in the independent offices chapter, p. 161, preceding Federal Home Loan Bank Board.

Public enterprise funds:

FEDERAL HOUSING ADMINISTRATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Home modernization and repair insurance program (title I, sec. 2):			
Administration	$930,699	$1,014,000	$1,060,000
Initiation	307,809	351,700	351,700
Maintenance	268,337	342,100	341,600
Settlement	5,504,778	6,564,130	6,910,900
2. Basic 1–4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Administration	4,467,941	4,835,000	4,928,000
Initiation	27,096,779	31,748,100	33,968,300
Maintenance	1,453,665	1,657,100	1,820,400
Settlement	10,089,791	9,933,629	10,113,800
3. Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Administration	713,487	772,000	810,000
Initiation	1,941,946	3,475,100	4,179,700
Maintenance	119,268	140,700	162,800
Settlement	413,383	514,970	357,900
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Administration	273,909	291,000	300,000
Initiation	566,272	1,052,100	1,516,100
Maintenance	2,696	7,100	14,100
Settlement	706	−4	
5. Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Administration	279,799	300,000	298,000
Initiation	686,063	651,000	494,400
Maintenance	64,250	87,500	128,600
Settlement	5,553,229	1,818,205	2,417,400
6. Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608, 609, 610, 611, 701, 903, and 908):			
Administration	697,293	758,000	804,000
Maintenance	653,680	656,800	617,900
Settlement	10,850,734	10,808,059	4,640,500
7. Net gain on sale of equipment	−20,953		
Total operating costs	72,915,561	77,778,289	76,236,100
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−199,638	−225,000	−250,000
Net gain on sale of equipment	20,953		
Losses and provision for losses included above (−)	−19,206,081	−16,132,495	−11,186,100
Total operating costs, funded	53,530,795	61,420,794	64,800,000
Capital outlay:			
1. Home modernization and repair insurance program (title I, sec. 2):			
Acquisition of real properties	17,427		
Acquisition of defaulted notes	9,492,463	9,600,000	10,546,000
2. Basic 1–4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222): Acquisition of real properties	10,563,080	13,945,446	13,352,800
3. Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Acquisition of real properties	2,405,950	2,959,339	1,501,200
Acquisition of defaulted mortgages	1,179,161	1,718,791	1,120,000
Acquisition of stock in rental housing corporations	9,400	31,700	50,700
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Acquisition of real properties	7,803		
Acquisition of stock in rental housing corporations	1,800	8,300	16,000
5. Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Acquisition of real properties	105,864	568,703	745,300
Acquisition of defaulted mortgages	7,556,130	1,415,664	748,000
Acquisition of stock in rental housing corporations	200	10,000	8,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Capital outlay—Continued			
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	$16,723,269	$18,704,778	$9,915,300
Acquisition of defaulted mortgages	17,066,763	14,031,354	11,923,500
Acquisition of stock in rental housing corporations	500		
7. Acquisition of furniture and equipment	594,365	400,000	250,000
Total capital outlay	65,724,175	63,394,075	50,176,800
Total program costs, funded	119,254,970	124,814,869	114,976,800
8. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	250,742		
Total program (obligations)	119,505,712	124,814,869	114,976,800
Financing:			
Amounts becoming available:			
Authorization to expend from corporate debt receipts (permanent indefinite):			
Net debentures issued		3,625,050	
Revenue and receipts:			
Fees and insurance premiums	142,897,441	171,756,300	198,255,800
Interest on U. S. securities	14,233,418	15,632,544	17,581,500
Net gain on sale of U. S. securities	25,356		
Proceeds from sale of real properties and defaulted mortgages	4,673,837	6,661,931	6,946,100
Recoveries on mortgage notes	5,918,465	7,079,907	8,603,100
Recoveries on defaulted notes and defaulted mortgages	9,795,505	9,681,514	9,057,700
Proceeds from sale of equipment	35,645		
Stock in rental housing corporations redeemed	16,200	23,360	24,000
Other interest, dividends and revenue	7,607,303	7,536,200	7,760,200
Net decrease in debentures authorized and in process	−3,112,550	−13,285,350	−5,145,000
Total amounts becoming available	182,090,620	208,711,456	243,083,400
Unobligated balance brought forward (U. S. securities)	434,680,158	491,396,166	575,292,753
Total amounts available	616,770,778	700,107,622	818,376,153
Unobligated balance carried forward (U. S. securities)	−491,396,166	−575,292,753	−694,337,053
Unobligated balance no longer available (net debentures retired)	−5,868,900		−9,062,300
Financing applied to program	119,505,712	124,814,869	114,976,800

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, 1958, a total of $50 billion of insurance had been written, of which $23 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 section 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, 1958, these participation payments to home owners have amounted to $82.7 million.

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]

	1958 actual	*1959 estimate*	*1960 estimate*
Initiation:			
Unit applications received	752,147	962,500	950,000
Unit applications examined	675,624	921,500	910,000
Mortgage insurance commitments:			
Units	645,262	877,100	858,500
Amount	$7,770.7	$11,262.3	$10,972.4
Mortgage insurance written:			
Units	322,530	619,620	563,900
Amount	$3,723.6	$7,630.8	$6,859.8
Inspections:			
Inspections made (1-4 family)	934,306	1,439,000	1,377,000
Average multifamily units under inspection	13,476	26,000	39,400
Unit construction private starts	215,605	316,200	315,500
Improvement loans insured:			
Notes	1,067,446	1,200,000	1,250,000
Amount (net proceeds)	$865.1	$960.0	$1,031.0
Servicing:			
Program status, end of year—outstanding balance of insurance in force:			
Improvement loans	$1,175.0	$1,397.4	$1,564.4
Mortgage insurance	22,291.4	31,238.1	36,095.1
Total	23,466.4	32,635.5	37,659.5
Real estate, acquisition, maintenance, sales and insurance liquidation activity:			
Acquired security or collateral on hand:			
Defaulted loans	115,693	101,700	91,700
Amount	$47.5	$42.2	$39.1
Acquired properties and assigned mortgages:			
Mortgages	8,068	6,514	4,517
Number of units	38,002	33,114	26,336
Amount	$266.3	$240.1	$190.3

Budget program.—The Federal Housing Administration budget for 1960 is designed to carry out the Administration's part of the President's housing program, with 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, and the improvement of existing homes.

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 $800. Estimates are set forth below:

	1958 actual	*1959 estimate*	*1960 estimate*
Initiation: Loans insured	1,067,446	1,200,000	1,250,000
Servicing: Insurance in force (number of notes) end of year	2,483,826	2,958,205	3,315,577
Liquidation—acquired security or collateral on hand:			
Defaulted loans	115,693	101,700	91,700
Amount (in millions)	$47.5	$42.2	$39.1

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 $13,500 of appraised value, 85% of the next $2,500 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, launched in 1958, to bring the advantages of Federal Housing Administration mortgage insur-

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FEDERAL HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

ance to communities remote from Federal Housing Administration insuring offices is still being operated on an experimental basis, with some expansion anticipated in the budget year. Local lenders approved by the Federal Housing Commissioner are authorized to process applications for section 203 mortgage insurance, securing necessary appraisals and inspections through Federal Housing Administration-approved fee appraisers and inspectors.

Servicemen's housing mortgage insurance (sec. 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 a maximum mortgage limitation of $17,100.

Estimates in the basic 1- to 4-family mortgage insurance programs are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Initiation:			
Unit applications examined:			
Section 203	580,890	788,400	769,800
Section 222	14,430	14,800	14,800
Units insured:			
Section 203	250,410	516,100	450,900
Section 222	12,582	12,100	13,700
Section 8	1	------	------
Inspections:			
Section 203	901,220	1,361,000	1,290,000
Section 222	9,189	22,600	22,100
Servicing:			
Insurance contracts in force, end of year:			
Section 203	2,034,430	2,431,010	2,760,580
Section 222	34,989	46,639	59,839
Section 8	34,659	33,600	32,550
Real estate acquisition, maintenance, and sales:			
Properties acquired (units):			
Section 203	993	1,300	1,300
Section 222	10	20	20
Section 8	194	190	175
Properties sold (units):			
Section 203	786	1,800	1,500
Section 222	6	7	20
Section 8	163	175	225
Properties on hand, end of year (units):			
Section 203	1,751	1,251	1,051
Section 222	7	20	20
Section 8	133	148	98

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. Legislative proposals will be made to increase the maximum interest rate for insured rental and cooperative housing mortgages. Estimates are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Initiation:			
Unit applications examined:			
Section 207	13,014	37,500	41,200
Section 213	17,953	14,500	14,200
Units insured:			
Section 207	6,713	20,200	26,000
Section 213	15,870	11,300	10,600
Average multifamily units under inspection:			
Section 207	3,262	12,600	18,700
Section 213	4,950	5,000	6,200
Servicing:			
Insurance contracts in force, end of year:			
Section 207	458	653	908
Section 213	20,054	23,604	27,533
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Section 207	404	480	280
Section 213	55	50	50
Properties and mortgages sold (units):			
Section 207	191	831	270
Section 213	55	61	142
Properties and mortgages on hand, end of year (units):			
Section 207	1,373	1,022	1,032
Section 213	194	183	91

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Initiation:			
Unit applications examined:			
Section 220	4,156	19,600	26,000
Section 221	10,206	14,800	19,600
Units insured:			
Section 220	5,279	12,800	22,800
Section 221	2,693	14,000	15,300
Inspections:			
Section 220:			
Home mortgages (dwelling units)	2,551	10,200	16,400
Project	5,125	7,000	12,000
Section 221:			
Home mortgages (dwelling units)	14,165	34,900	41,000
Project	139	1,400	2,500
Servicing:			
Insurance contracts in force, end of year:			
Section 220	809	3,677	8,395
Section 221	2,030	12,359	21,511
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Section 221	1	------	------
Properties and mortgages sold: Section 221	1	------	------

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. It is assumed that the program will be extended for 1 year. Estimates are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Initiation:			
Unit applications examined:			
Section 803	33,234	29,100	22,500
Section 809	1,741	2,800	1,900
Units insured:			
Section 803	27,997	31,200	22,700
Section 809	984	2,100	1,990
Inspections: Section 809	4,641	8,900	5,900
Servicing:			
Insurance contracts in force, end of year:			
Section 803	536	748	889
Section 809	1,276	3,371	5,261
Real estate acquisitions, maintenance, and sales:			
Section 803:			
Properties acquired (units)	1,051	250	200
Properties sold (units)	125	346	771
Properties on hand, end of year (units)	3,422	3,326	2,755

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

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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:

	1958 actual	*1959 estimate*	*1960 estimate*
Initiation:			
Units insured: Title IX	1	-------	-------
Servicing:			
Insurance contracts in force, end of year:			
Title VI	234,340	219,257	206,185
Title IX	47,102	45,895	44,886
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Title VI	3,155	3,309	2,635
Title IX	1,183	1,526	600
Properties sold (units):			
Title VI	4,240	6,444	6,320
Title IX	1,344	2,002	2,790
Properties and mortgages on hand, end of year (units):			
Title VI	21,944	20,506	16,821
Title IX	7,477	6,658	4,468

Summary of operating expense estimates.—Federal Housing Administration operating expenses (administrative and nonadministrative) are paid out of operating revenue, subject to limitation.

It is expected that a total operating expense authorization of $56,950,000 will be necessary for 1960, of which $8,200,000 will be administrative and $48,750,000 nonadministrative. The 1959 estimate is $53,805,000, $7,970,000 administrative and $45,835,000 nonadministrative. It should be noted that this estimate for 1959 is $3,405,000 over the present limitation, to reflect the cost of Public Law 85-462.

Relation of costs to obligations.—The relationship is derived by year-end balances of unpaid, undelivered orders as follows: 1957, $366,838; 1958, $617,580; 1959, $617,580; and 1960, $617,580.

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 1958, $52,936,500 of debentures were issued. Debentures to be issued are estimated at $62,022,300 in 1959 and $42,588,500 in 1960. Debentures were retired in 1958 in the amount of $58,832,400. Retirement of debentures in 1959 and 1960, respectively, are estimated at $58,397,250 and $51,650,800.

Operating results and retained earnings.—Operations in 1958 resulted in a net income of $99,662,468. This income was distributed as follows: $31,649,174 to the general surplus account and $38,000,000 to the participating-reserve account of the mutual mortgage insurance fund, which were established pursuant to Public Law 560 (68 Stat. 590); and $30,013,294 to the general insurance reserves under the nonmutual insurance programs.

Net income is expected to be $125,162,549 in 1959 and $155,461,400 in 1960. In the 2-year period it is estimated that income totaling $107,195,195 will be added to the general surplus account and $93,000,000 to the participating-reserve account of the mutual mortgage insurance fund, while an estimated $80,428,754 of income will be placed in the insurance reserves under nonmutual funds.

Insurance reserves totaling $551,487,737 on June 30, 1957, increased to $643,335,694 during 1958 and are expected to reach $760,482,449 by June 30, 1959, and $907,843,849 by June 30, 1960. These reserves are required to meet future insurance losses and expenses.

Insurance authority.—The Housing Act of 1956, as amended, provides that the aggregate amount of principal obligations of all mortgages that 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 insured mortgages (without taking account prepayments or delinquencies), (*b*) the principal amount of all outstanding commitments to insure as of July 1, 1956, and (*c*) $7 billion. 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. Proposed legislation will be submitted for an additional authorization of $6 billion in 1959, and for an open-ended authorization in 1960.

Section 803 (*a*) of the National Housing Act, as amended, 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 1959 and 1960 as shown in the tabulation below.

The title I (sec. 2) authorization of $1,750,000,000 for repair and improvement insurance will be sufficient to carry this program through both 1959 and 1960.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

	1958 actual	*1959 estimate*	*1960 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	1,114,909,584	1,336,861,697	1,503,440,643
Loan reports in process	60,104,705	60,500,000	61,000,000
Total charges against authority	[1] 1,175,014,289	[1] 1,397,361,697	[1] 1,564,440,643
Unused authority	574,985,711	352,638,303	185,559,357
Mortgage insurance—general authorization:			
Insurance authority	29,783,993,600	29,783,993,600	29,783,993,600
Charges against insurance authority:			
Insurance in force	21,565,569,527	30,040,840,500	34,536,787,724
Commitments outstanding	4,867,863,623	3,743,153,100	3,648,296,200
Total charges against authority	[2] 26,433,433,150	[2] 33,783,993,600	[2] 38,185,083,924
Unused authority	3,350,560,450	----------	----------
Additional authority required—proposed legislation	----------	4,000,000,000	8,401,090,324
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	727,043,678	1,247,337,278	1,633,337,278
Commitments outstanding	437,820,074	238,704,779	62,800,000
Total charges against authority	1,164,863,752	1,486,042,057	1,696,137,278
Unused authority	1,135,136,248	813,957,943	603,862,722

[1] Maximum contingent liability, reflecting outstanding balances in insurance reserve accounts, is $320,146,076 in 1958, $369,999,076 in 1959, and $426,003,076 in 1960.

[2] Includes charges of $63,746, $61,982, and $60,092 at the end of 1958, 1959, and 1960, respectively, which are chargeable against the limitation of $100,000,000 contained in section 203 (i) of the National Housing Act relating to farm mortgages.

NOTE.—Insurance in force under the general authorization at June 30, 1958, June 30, 1959, and June 30, 1960, does not include $87,603, $83,764, and $80,241, respectively, of outstanding balances on open end advances which are not chargeable against the authorization.

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FEDERAL HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Home modernization and repair insurance program (title I, sec. 2):			
Acquisition of real properties and defaulted notes	$9,509,890	$9,600,000	$10,546,000
Expense	4,784,546	4,927,000	4,799,200
Basic 1–4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Acquisition of real properties	10,563,080	13,945,446	13,352,800
Expense	33,546,218	38,838,300	41,252,800
Participation in mutual insurance earnings	7,814,511	8,015,794	8,100,000
Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Acquisition of real properties and defaulted mortgages	3,585,111	4,678,130	2,621,200
Acquisition of stock in rental housing corporations	9,400	31,700	50,700
Expense	2,830,883	4,443,900	5,193,000
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Acquisition of real properties	7,803		
Acquisition of stock in rental housing corporations	1,800	8,300	16,000
Expense	839,253	1,345,200	1,823,000
Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Acquisition of real properties and defaulted mortgages	7,661,994	1,984,367	1,493,300
Acquisition of stock in rental housing corporations	200	10,000	8,000
Expense	1,083,207	1,093,000	967,000
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 and defaulted mortgages	33,790,032	32,736,132	21,838,800
Acquisition of stock in rental housing corporations	500		
Expense	2,632,177	2,757,600	2,665,000
Acquisition of furniture and equipment	594,365	400,000	250,000
Increase in selected working capital	3,009,217	31,902,409	20,072,300
Total gross expenditures	122,264,187	156,717,278	135,049,100
Receipts from operations (funds provided):			
Home modernization and repair insurance program (title I, sec. 2):			
Proceeds from sale of real properties	300	2,744	
Recoveries on mortgage notes	41,975	41,922	42,000
Recoveries on defaulted notes	8,317,281	7,939,840	7,675,100
Revenue	16,915,118	17,076,700	17,724,200
Basic 1–4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Proceeds from sale of real properties	792,598	1,815,500	1,496,100
Recoveries on mortgage notes	818,175	1,083,651	1,710,000
Revenue	107,284,673	133,474,021	156,967,500
Redemption of stock in housing corporations	100		
Basic multifamily mortgage insurance programs (title II, secs. 207 and 213):			
Proceeds from sale of real properties	228,081	706,387	376,600
Recoveries on mortgage notes	204,515	240,000	280,000
Recoveries on defaulted mortgages	73,903	63,520	28,000
Redemption of stock in rental housing corporations	400	15,700	16,500
Revenue	5,847,872	8,960,600	10,091,400
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Proceeds from sale of real properties	350		
Recoveries on mortgage notes		200	200
Revenue	1,136,215	2,966,700	5,435,300
Armed services mortgage insurance program (title VIII, secs. 803 and 809):			
Proceeds from sale of real properties	342,111	115,600	220,400
Recoveries on mortgage notes		18,200	70,900
Recoveries on defaulted mortgages	75,285	80,405	70,700
Redemption of stock in rental housing corporations	8,300		
Revenue	5,514,266	6,811,623	8,064,300
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	3,310,397	4,021,700	4,853,000
Recoveries on mortgage notes	4,853,800	5,695,934	6,500,000
Recoveries on defaulted mortgages	1,329,036	1,597,749	1,283,900
Redemption of stock in rental housing corporations	7,400	7,660	7,500
Revenue	28,040,018	25,635,400	25,314,800
Proceeds from sale of equipment	35,645		

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided)—Continued			
Net gain from sale of U. S. securities	$25,356		
Total receipts from operations	185,203,170	$218,371,756	$248,228,400
Budget expenditures	−62,938,983	−61,654,478	−113,179,300

Revenue, Expense, and Retained Earnings

Home modernization and repair insurance program (title I, sec. 2):			
Revenue	$16,915,118	$17,076,700	$17,724,200
Expense	7,090,602	8,271,930	8,664,200
Net operating income	9,824,516	8,804,770	9,060,000
Basic 1–4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Revenue	107,284,673	133,474,021	156,967,500
Expense	35,203,487	40,158,035	42,730,500
Net operating income	72,081,186	93,315,986	114,237,000
Basic multifamily mortgage insurance programs (title II, secs. 207, and 213):			
Revenue	5,847,872	8,960,600	10,091,400
Expense	3,188,084	4,902,770	5,510,400
Net operating income	2,659,788	4,057,830	4,581,000
Urban renewal rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Revenue	1,136,215	2,966,700	5,435,300
Expense	843,583	1,350,196	1,830,200
Net operating income	292,632	1,616,504	3,605,100
Armed Services mortgage insurance program (title VIII, secs. 803 and 809):			
Revenue	5,514,266	6,811,623	8,064,300
Expense	6,583,341	2,856,705	3,338,400
Net operating income or loss (−)	−1,069,075	3,954,918	4,725,900
Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608, 609, 610, 611, 701, 903, and 908):			
Revenue	28,040,018	25,635,400	25,314,800
Expense	12,212,906	12,222,859	6,062,400
Net operating income	15,827,112	13,412,541	19,252,400
Nonoperating income or loss (−):			
Proceeds from sale of equipment	35,645		
Net book value of assets sold (−)	−14,692		
Net gain or loss (−) from sale of equipment	20,953		
Net gain from sale of U. S. securities	25,356		
Net nonoperating income	46,309		
Net income for the year	99,662,468	125,162,549	155,461,400
Analysis of retained earnings:			
Retained earnings, beginning of year	551,487,737	643,335,694	760,482,449
Participation payments out of statutory reserve (−)	−7,814,511	−8,015,794	−8,100,000
Retained earnings, end of year	643,335,694	760,482,449	907,843,849

Financial Condition

Assets:			
Cash with Treasury:			
Revolving fund accounts	$27,438,372	$20,817,900	$22,694,900
Deposit fund accounts	1,453,437	1,428,000	1,428,000
U. S. securities (par)	550,786,900	622,686,900	724,926,900
Accounts receivable	13,176,085	30,044,198	44,629,798
Mortgage notes and sales contracts, net	122,848,409	165,071,600	210,157,800
Acquired properties, mortgages and notes, net	169,364,972	150,304,200	119,050,600
Furniture and equipment, net	1,556,616	1,731,616	1,731,616
Stock in rental housing corporations	467,060	493,700	544,400
Other assets	2,412,598	2,512,600	2,612,600
Total assets	889,504,449	995,090,714	1,127,776,614
Liabilities:			
Current liabilities	100,841,048	99,066,665	98,724,965
Trust and deposit liabilities for mortgagee accounts	2,412,598	2,512,600	2,612,600
Debentures authorized and in process	41,101,850	27,816,500	22,671,500
Debentures outstanding	100,565,250	104,190,300	95,128,000
Reserve for foreclosure costs	1,248,009	1,022,200	795,700
Total liabilities	246,168,755	234,608,265	219,932,765

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Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Government investment:			
Retained earnings:			
Statutory reserve—participating reserve	$105,715,794	$140,700,000	$182,600,000
General surplus—reserves for future expenses and losses	537,619,900	619,782,449	725,243,849
Total Government investment	643,335,694	760,482,449	907,843,849

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash and U. S. securities	$521,155,189	$578,225,272	$643,504,800	$747,621,800
Obligated balance, net:				
Current liabilities	93,498,579	100,841,048	99,066,665	98,724,965
Debentures authorized and in process	44,214,400	41,101,850	27,816,500	22,671,500
Unpaid and undelivered orders	366,838	617,580	617,580	617,580
Accounts receivable net and deposit fund account	−7,390,386	−14,629,522	−31,472,198	−46,057,798
Authorization for debentures authorized and in process	−44,214,400	−41,101,850	−27,816,500	−22,671,500
Total obligated balance	86,475,031	86,829,106	68,212,047	53,284,747
Unobligated balance	434,680,158	491,396,166	575,292,753	694,337,053

NOTE.—Contingent liability for insurance contracts in force:[1]

Mortgage insurance programs	$20,022,186,253	$22,291,384,140	$31,280,033,141	$36,140,564,274
Modernization and improvement program (title I, sec. 2)	281,825,332	320,146,076	369,999,076	426,003,076
Total	20,304,011,585	22,611,530,216	31,650,032,217	36,566,567,350

[1] Federal Housing Administration insured notes secured by real estate having a value in excess of this amount.

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION

For administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed [$7,300,000] *$8,200,000* 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 [$38,500,000] *$48,750,000.*

[In addition to amounts otherwise available during the fiscal year 1959 for administrative and nonadministrative expenses of the Federal Housing Administration, not to exceed $100,000 shall be available for administrative expenses and not to exceed $4,500,000 for nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949.] *(Independent Offices Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Program and Financing—Administrative Expenses

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Home modernization and repair insurance program (title I, sec. 2)	$932,881	$1,014,000	$1,060,000
2. Basic 1-4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222)	4,478,418	4,835,000	4,928,000
3. Basic multifamily mortgage insurance program (title II, secs. 207 and 213)	715,159	772,000	810,000
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221)	$274,551	$291,000	$300,000
5. Armed services mortgage insurance program (title VIII)	280,454	300,000	298,000
6. Emergency and other special incentive programs (titles VI, VII, and IX)	698,923	758,000	804,000
Total obligations	7,380,386	7,970,000	8,200,000
Financing:			
Unobligated balance no longer available	59,614		
Limitation	7,440,000	7,400,000	8,200,000
Proposed increase in limitation due to pay increases		570,000	

Object Classification—Administrative Expenses

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	973	1,003	1,026
	Full-time equivalent of all other positions	1		
	Average number of all employees	918	945	980
	Number of employees at end of year	930	970	995
	Average GS grade and salary	7.4 $5,531	7.4 $6,049	7.4 $6,099
01	Personal services:			
	Permanent positions	$5,528,006	$6,064,610	$6,176,075
	Positions other than permanent	4,106		
	Other personal services	130,605	83,000	107,000
	Total personal services	5,662,717	6,147,610	6,283,075
02	Travel	335,161	375,000	445,000
03	Transportation of things	10,554	11,280	11,700
04	Communication services	79,107	77,250	77,850
05	Rents and utility services	589,131	634,600	637,550
06	Printing and reproduction	72,700	66,500	73,000
07	Other contractual services	241,276	225,760	229,350
08	Supplies and materials	58,954	61,100	63,375
11	Grants, subsidies, and contributions	321,781	367,000	375,000
13	Refunds, awards, and indemnities	4,300		
15	Taxes and assessments	4,705	3,900	4,100
	Total obligations	7,380,386	7,970,000	8,200,000

Program and Financing—Nonadministrative Expenses

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Home modernization and repair insurance program (title I, sec. 2)	$3,858,774	$3,947,000	$3,762,000
2. Basic 1-4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222)	29,672,594	34,309,000	36,501,000
3. Basic multifamily mortgage insurance program (title II, secs. 207 and 213)	2,173,790	3,699,000	4,410,000
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221)	581,435	1,063,000	1,532,000
5. Armed services mortgage insurance program (title VIII)	831,395	800,000	673,000
6. Emergency and other special incentive programs (titles VI, VII, and IX)	2,022,551	2,017,000	1,572,000
Total obligations	39,140,539	45,835,000	48,750,000
Financing:			
Unobligated balance no longer available	59,461		
Limitation	39,200,000	43,000,000	48,750,000
Proposed increase in limitation due to pay increases		2,835,000	

Object Classification—Nonadministrative Expenses

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	5,314	6,182	6,245
	Full-time equivalent of all other positions	47	101	119
	Average number of all employees	5,044	5,764	6,093
	Number of employees at end of year	5,427	6,382	6,397
	Average GS grade and salary	7.4 $5,531	7.4 $6,049	7.4 $6,099
01	Personal services:			
	Permanent positions	$29,146,034	$34,727,100	$36,690,860
	Positions other than permanent	250,990	403,500	475,500
	Other personal services	1,147,556	1,009,400	1,512,540
	Total personal services	30,544,580	36,140,000	38,678,900
02	Travel	2,439,791	2,839,500	2,901,400
03	Transportation of things	92,090	150,000	111,900
04	Communication services	655,859	850,000	853,200
05	Rents and utility services	1,622,135	1,888,400	2,190,400
06	Printing and reproduction	566,431	491,900	519,700
07	Other contractual services	546,573	596,700	613,300
08	Supplies and materials	285,904	297,400	314,200

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FEDERAL HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION—Continued

Object Classification—Nonadministrative Expenses—Continued

	1958 actual	1959 estimate	1960 estimate
09 Equipment	$589,503	$400,000	$250,000
11 Grants, subsidies, and contributions	1,756,973	2,162,400	2,297,100
13 Refunds, awards, and indemnities	24,320		
15 Taxes and assessments	16,380	18,700	19,900
Total obligations	39,140,539	45,835,000	48,750,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Operation by activities:			
1. Appraisal work performed for Atomic Energy Commission	$46,403		
2. Department of the Interior	32,478	$100,000	
3. Miscellaneous services to other accounts	197,900	125,000	$125,000
Total obligations	276,781	225,000	125,000
Financing:			
Advances and reimbursements from other accounts	276,781	225,000	125,000

Object Classification

Average number of all employees	23	15	3
01 Personal services: Permanent positions	$138,592	$92,000	$16,000
02 Travel	24,271	20,000	
03 Transportation of things	1		
04 Communication services	106,169	105,000	105,000
05 Rents and utility services	61		
07 Other contractual services	227		
08 Supplies and materials	3,301	3,000	3,000
11 Grants, subsidies, and contributions	3,865	5,000	1,000
15 Taxes and assessments	294		
Total obligations	276,781	225,000	125,000

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). All but a few housing units had been disposed of by June 30, 1958. The Administration continues to have the responsibility for managing a portfolio of mortgages received in partial payment from the sale of these properties.

Public enterprise funds:

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), [$107,500,000] *$124,000,000.* (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$107,500,000** Estimate 1960, **$124,000,000**

ADMINISTRATIVE EXPENSES

For administrative expenses of the Public Housing Administration, [$11,800,000] *$13,000,000,* to be expended under the authorization for such expenses contained in title II of this Act. (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$11,800,000** Estimate 1960, **$13,000,000**

NOTE.—Expenditures from the following fund for 1959 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1959. For 1960 this paragraph is shown in the independent offices chapter, p. 161, preceding Federal Home Loan Bank Board.

LOW RENT PUBLIC HOUSING PROGRAM FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Development and management operations:			
(a) Financing operations:			
Development loan commitments:			
New commitments	$307,196,434	$352,657,000	$337,857,000
Refunding direct with guaranteed loans	155,175,842	266,000,000	206,000,000
Administrative and mortgage loans	94,732	200,000	200,000
(b) Federally owned project operations:			
Acquisition of equipment and operating improvements	195,482	98,100	30,200
Deferred expenses: Insurance, and materials and supplies	11,000	200	200
Expense	718,014	537,800	537,800
(c) Technical service operations: Expense	918,043	1,400,000	1,000,000
(d) Annual contributions, statutory grants	98,790,666	107,500,000	124,000,000
2. Disposition operations: Expense	7,412		
3. Interest on borrowings	1,554,018	1,300,000	1,300,000
4. Administrative expenses	11,592,419	12,660,000	13,000,000
5. Adjustment of prior year obligations (administrative and nonadministrative expenses)	55,007		
Total program (obligations)	576,309,069	742,353,100	683,925,200
Financing:			
Amounts becoming available.			
Appropriations:			
Annual contributions	98,900,000	107,500,000	124,000,000
Administrative expenses:			
Authorized	11,755,000	11,800,000	13,000,000
Proposed supplemental due to pay increases		860,000	
Revenue and receipts:			
Collection of development loans from local authorities:			
Direct loans	1,230,910	4,500,000	2,300,000
Refunding direct with guaranteed loans	155,175,842	266,000,000	206,000,000
Permanent financing	51,954,862	100,000,000	100,000,000
Collection of other loans	990,669	236,000	294,000
Interest on loans	3,088,474	3,090,000	3,086,000
Revenue from federally owned projects	782,062	552,600	599,900
Technical service fees	2,237,269	1,272,123	1,340,000
Disposition proceeds and other revenue	1,203,750	864,400	1,067,800
Working capital transferred from other Government agencies	227		
Reclassification of current liabilities		1,259,050	
Adjustment of prior year transactions, net	167,894		
Recovery of prior year obligations (reduction of loan commitment due to permanent financing and other cancellations)	130,172,710	183,810,000	151,707,000
Total amounts becoming available	456,859,670	681,744,173	603,394,700

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$548,118,458	$427,663,615	$366,518,688
Total amounts available	1,004,978,128	1,109,407,788	969,913,388
Return of unexpended appropriations to Treasury (−):			
Annual contributions	−109,334		
Administrative expenses	−179,769		
Capital transfers (payment of property receipts to Treasury) (−)	−716,341	−536,000	−749,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−427,663,615	−366,518,688	−285,239,188
Financing applied to program	576,309,069	742,353,100	683,925,200

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), authorized 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 Public Housing 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. Local authorities may apply the optional increased exemptions where permitted by State laws and the financial solvency of contracts. 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.—The local housing authority usually initiates a low rent housing project by negotiating a preliminary loan contract with the Public Housing Administration for the advancement of planning funds. However, the Administration does not incur a legal obligation to provide financial assistance required to construct and maintain the low rent character of the project until an annual contributions contract is executed. 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 to the local housing authority over a fixed period of years, not to exceed 40, in an amount not to exceed the interest and amortization on the bonds required to finance the construction of the projects, and (2) temporary financing of development costs pending substantial construction 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 additional dwelling units. The authorization is for 2 consecutive annual programs of 35,000 units and each program may be executed during a period of 2 years after it becomes available. This act continued the uncompleted authorization to execute contracts for loans and annual contributions contained in the housing amendments of 1955. The first program of 35,000 units was authorized to begin August 1, 1956, and it terminated on July 31, 1958. Under the first program, 24,860 units of the authorized 35,000 units were executed by the termination date. The second program of 35,000 units became available July 1, 1957, and will terminate on June 30, 1959. The budget program plans for the execution of annual contributions contracts for the 35,000 units authorized under the second program by June 30, 1959. The budget estimates for 1960 are based upon the number of housing units, under the current congressional authorization in the various development stages, and an increased number of units reaching the management stage.

Development progress.—The development of the low-rent public housing program can be measured at any one time through a pattern of construction progress. The pattern can be divided into separate groups, each of which represents a stage in the development process. The status-by-stage analysis at respective fiscal year ends is presented in the following tabulation:

NUMBER OF DWELLING UNITS

	1958 actual	*1959 estimate*	*1960 estimate*
Development stage:			
1. Preliminary loan contract executed, site not selected	45,098	19,523	19,523
2. Site selected, annual contributions contract not executed	9,795	------	------
3. Annual contributions contract executed, construction not started	79,650	90,452	55,452
4. Construction started, not available for occupancy	30,565	38,975	54,422

This analysis indicates that the development activity over the 3-year period will decrease in the first two stages prior to the commencement of construction. The units under annual contributions contract will increase in 1959 but decrease in 1960 as projects move to the construction stage. The Administration's efforts to accelerate construction are reflected in the increasing number of units under construction but not available for occupancy at the end of each of the 3 fiscal years.

A further analysis is provided by the passing of dwelling units through the various development stages. The number of units passing each of the five 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

	1958 actual	*1959 estimate*	*1960 estimate*
Development action:			
1. Preliminary loan contract executed	15,507	5,432	------
2. Site selected	27,995	31,007	------
3. Annual contributions contract executed	15,581	40,802	------
4. Construction started	25,522	30,000	35,000
5. Completed for occupancy	10,511	21,590	19,553

The activity shown for 1958 and 1959 reflects an increase in sites selected and a substantial increase in the number of annual contributions contracts executed. The time lag in completing the first stages of the development process leaves a substantial number of units under annual contributions contracts and awaiting start of construction. It is anticipated that new construction starts will reach 35,000 units in 1960. As the housing units leave the construction stage the workload in the management stage will increase correspondingly.

Loans.—The Housing Act of 1949 authorizes the Public Housing Administration to have at any one time outstanding borrowings of $1.5 billion from the Treasury. These borrowings and certain working capital funds available to the corporation are used to make loans to local housing authorities. Pursuant to the annual contributions contract, the Administration makes a loan commitment to finance initial development costs of the project. The commitment is gradually increased during the development period as progress warrants. The maximum loan commitment by the Public Housing Administration cannot exceed 90% of the development costs. During 1959 and 1960, new loan commitments will reflect new annual contributions contracts and an increase in the number of

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PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LOW RENT PUBLIC HOUSING PROGRAM FUND—Continued

dwelling units under construction. Because of these factors, the dollar volume of new loan commitments is estimated to increase from $307 million in 1958 to $353 million in 1959 and $338 million in 1960.

The Public Housing Administration makes direct short-term development loans in assisting local housing authorities to finance the initial planning work in the first 3 months of construction of a low rent housing project. When loans to local housing authorities are of sufficient size to make private financing practicable, the local housing authority sells short-term temporary notes and utilizes the proceeds to repay the advance and interim notes held by the Administration and for immediate construction requirements. These notes are guaranteed by Public Housing Administration through the pledge by the local housing authority of the Public Housing Administration loan commitment. This guaranty has established an excellent security rating for these notes which have sold at an average interest rate of 1.748% in 1958. Direct loans were refunded through loans by private investors, guaranteed by the Public Housing Administration during 1958 in the amount of $155 million. Refunding of the Public Housing Administration loans with private loans is estimated at $266 million in 1959 and $206 million in 1960. These temporary notes, financed by private investors, 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. As a result, a considerable turnover of short-term notes takes place during each fiscal period. The volume of loan activity managed by the Administration during a given fiscal year greatly exceeds the amount of loans outstanding at the fiscal year end.

The following table reviews the actual financing and refinancing of development loans by the Administration and private investors during 1958 and estimated transactions during 1959 and 1960:

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Loans and investments made by Public Housing Administration to local housing authorities:			
Balance at beginning of year	$94	$91	$102
Acquisitions during the year	204	382	308
Repayments during the year	207	371	308
Balance at end of year	91	102	102
Loans by private investors to local housing authorities—guaranteed by Public Housing Administration:			
Balance at beginning of year	667	792	865
Acquisitions during the year	1,540	1,769	1,860
Repayments during the year	1,415	1,696	1,751
Balance at end of year	792	865	974

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.

The local housing authority obtains permanent financing through the sale of 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 1958 at interest rates of 2.8865 and 2.8876%. It is estimated that $250 million in new local housing authority bonds will be issued in 1959 and $260 million in 1960, compared to $137 million in 1958.

Management.—The maximum annual contribution, which is equal to the interest and amortization on the bonds issued to permanently finance the housing project, is reduced to the extent that project operations provide net receipts which can be used for this purpose. A limited review of project management by the Administration is deemed necessary to assure that the objectives of housing legislation are being achieved and that the provisions of the annual contributions contract are being fulfilled. The review of project management operations also affects 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

	1958 actual	*1959 estimate*	*1960 estimate*
Locally owned projects eligible for annual contributions	394,599	416,189	435,742
Locally owned projects paying residual receipts to the Federal Government	37,358	37,358	37,358
Federally owned directly operated projects	1,187	1,182	1,182
Federally owned projects leased to local housing authorities	2,186	1,319	1,319
Total all projects	435,330	456,048	475,601

Projects not eligible for annual contributions.—Federal funds are not required for the support of projects not eligible to receive annual contributions payments. One category is the group of locally owned projects paying residual receipts to the Federal Government. All of these projects, except for a single Public Law 412 project, originated in programs where construction costs were financed out of appropriated funds. Therefore, in the absence of interest and amortization charges, no need exists for the payment of annual contributions which otherwise would be required to pay such charges. Residual receipts from these projects are paid for a period of 40 years to the Federal Government. Deficits, however, are not paid by the Federal Government. During the past few years it has been the policy of the Administration to convey these projects for low rent use when requested by the local housing authorities.

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 Public Housing 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 consists of two separate parts: (1) Expenses incurred in the operation and maintenance of federally owned, directly operated projects; and (2) expenses incurred in the inspection of projects under construction.

As of June 30, 1958, only three federally owned, directly operated projects remained under the low rent public housing program. Federally owned and operated projects 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. Estimated program receipts and expenses for 1959 and 1960 are

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based upon the continued operation by the Public Housing Administration of 3 projects containing 1,182 dwelling units.

The inspection of low rent housing projects under construction by the Administration provides the means of insuring that projects will be built in accordance with specified and acceptable standards. The Administration has departed from the established policy of assigning full-time representatives to projects while under construction and instead will use a pool of traveling construction representatives within each of its regional offices to give this inspection service. Under this new policy the service can be performed with fewer engineers. The estimated cost for 1960 is based upon the revised inspection service for an increased number of units in the construction stage. The local housing authority pays a fixed fee for this service, based upon a percentage of the total development cost, and the receipts are used to pay the cost of the service.

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Fixed annual contributions	$121,220,082	$132,400,000	$145,700,000
Deduct fixed annual contributions in excess of debt service requirements for Public Law 671 projects in temporary financing	216,362	196,827	188,719
Net fixed annual contributions	121,003,720	132,203,173	145,511,281
Deduct amounts available to reduce annual contributions:			
Accrued interest	448,153	1,844,376	3,528,579
Capitalized interest	1,130,262	923,003	2,197,686
Residual receipts, end of initial operating period	473,808	176,153	297,795
Residual receipts, current period	20,160,831	16,259,641	15,487,221
Total amount available to reduce annual contributions	22,213,054	19,203,173	21,511,281
Annual contributions requirements	[1] 98,790,666	[2] 113,000,000	124,000,000
Number of units on which annual contributions are accrued	374,172	399,502	421,826

[1] $98.9 million was appropriated.
[2] Includes a proposed supplemental appropriation of $5.5 million to be submitted for consideration at a later date.

Increased annual contributions requirements in 1959 and 1960 are largely the result of an increased number of units eligible for annual contributions resulting from the completion and permanent financing of new and reactivated projects. Another factor responsible for the increase 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 Administration is committed to pay, on the basis of annual contributions contracts executed through June 30, 1958, is estimated at $216 million, leaving $120 million of uncommitted authority to pay annual contributions.

Administrative expenses.—Administrative expenses for the low-rent public housing program amounted to $11,592,419 in 1958 and are estimated at $12,660,000 for 1959 and $13,000,000 for 1960.

The increasing number of units in the construction and management stages during 1959 and 1960 is the chief reason for the rise in administrative expenses. The number of units in the construction stage will increase from 30,565 on June 30, 1958, to 38,975 and 54,422 at the end of 1959 and 1960, respectively. Dwelling units completed and reaching the management stage at year end will increase from 435,330 units in 1958 to 456,048 units in 1959 and 475,601 units in 1960 and will expand the management workload. This will require additions to certain management staff organizations, principally the audit staffs in the central and regional offices.

1958 represents the last year in which administrative expense funds for both the low rent public housing and the liquidating emergency housing programs were merged into a single fund. Commencing with 1959, the budget estimates and expenditures for these two funds are separated for administrative purposes.

Operating results and financial condition.—Operating income 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 payments.

Net obligations outstanding, as shown in the schedule of certain fund balances, will continue to increase during 1959 and 1960. The Administration's accelerated construction program has created new loan commitments which exceed retirements through permanent financing. These commitments include the Public Housing Administration's 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 the Treasury.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (fund applied):			
Development and management operations:			
Financing operations:			
Acquisition of loans and mortgages:			
Loans to local housing authorities:			
Development loans	$203,986,848	$381,801,000	$308,000,000
Administrative loans	91,772	200,000	200,000
Mortgage notes	2,960		
Expense	1,522,707	1,280,000	1,280,000
Federally owned project operations:			
Acquisition of equipment, and operating improvements	196,875	98,100	30,200
Expense	781,594	562,300	562,300
Technical services: Expense	917,173	1,400,133	1,000,000
Annual contributions: Expense (statutory grants)	98,790,666	107,500,000	124,000,000
Disposition operations: Expense	7,412		
Administrative expenses	11,562,373	12,654,142	12,990,000
Stores inventories conveyed to local housing authorities: Expense	16,130		
Total gross expenditures	317,876,510	505,495,675	448,062,500
Receipts from operations (funds provided):			
Development and management operations:			
Financing operations:			
Repayment of loans and mortgages:			
Loans to local housing authorities:			
Development loans	207,461,614	370,500,000	308,300,000
Administrative loans	173,806	125,000	200,000
Mortgage notes	816,863	111,000	94,000
Revenue	3,088,474	3,090,000	3,086,000
Federally owned project operations:			
Revenue	782,063	552,600	599,900
Technical service operations: Revenue	2,237,269	1,272,123	1,340,000
Disposition proceeds and other revenue	1,303,750	864,400	1,067,800
Working capital transferred from other Government agencies	227		
Reclassification of current liabilities		1,259,050	
Adjustment of prior year transactions, net	167,894		
Decrease in selected working capital	5,122,972	1,640,036	4,366,400
Total receipts from operations	221,154,932	379,414,209	319,054,100
Budget expenditures	96,721,578	126,081,466	129,008,400

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PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LOW RENT PUBLIC HOUSING PROGRAM FUND—Continued

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Development and management operations:			
Financing operations:			
Revenue:			
Funded	$3,088,474	$3,090,000	$3,086,000
Nonfunded	250,000		
Total revenue	3,338,474	3,090,000	3,086,000
Expense	1,590,872	1,280,000	1,280,000
Net operating income, financing operations	1,747,602	1,810,000	1,806,000
Federally owned project operations:			
Revenue	782,063	552,600	599,900
Expense	1,357,634	771,100	771,100
Net operating loss (−), federally owned project operations	−575,571	−218,500	−171,200
Technical service operations:			
Revenue	2,237,269	1,272,123	1,340,000
Expense	−917,173	−1,400,133	−1,000,000
Increase (−) or decrease in reserve		128,010	−340,000
Net operating income, technical services	1,320,096		
Residual receipts and proceeds from disposition—projects conveyed by quitclaim deed	980,703	839,400	1,042,800
Other revenue	30,611	25,000	25,000
Annual contributions expense, statutory grants (−)	−98,790,666	−107,506,000	−124,000,000
Net operating loss (−), development and management operations	−95,287,225	−105,044,100	−121,297,400
Disposition operations:			
Proceeds from sale of property	1,007,273		
Net book value of property sold (−)	−1,413,326		
Loss (−) from sale of property	−406,053		
Direct disposition expense (−)	−7,412		
Net loss (−) from sale of property	−413,465		
Net book value of property disposition without reimbursement and inventory adjustments (−)	−9,807,465		
Provision for losses: Farm labor camps to be relinquished (−)	−1,181,388		
Stores inventories conveyed to local housing authorities (−)	−16,130		
Net loss (−), disposition operations	−11,418,448		
Administrative expenses (−)	−11,562,373	−12,654,142	−12,990,000
Undistributed income or loss:			
Adjustment of provision for accrued annual leave (−)	−217,161	−20,000	−20,000
Adjustment of prior year transactions, net	166,988		
Net loss (−) for the year	−118,318,219	−117,718,242	−134,307,400
Analysis of deficit:			
Deficit (−), beginning of year:			
Reserved for project operations	647,784	189,512	101,812
Reserved for technical services	208,202	1,527,175	
Unreserved	−626,023,746	−754,577,236	−872,743,778
Reclassification of assets relinquished to public bodies (−) (contra to capital)	−7,339,977		
Establishment of liability for prior years accrued annual leave (−)	−1,318,252		
Payment of property receipts to Treasury (−)	−716,341	−536,000	−749,000
Reclassification of receipts and expenses technical services		−1,527,175	
Deficit (−), end of year	−752,860,549	−872,641,966	−1,007,698,366
Analysis of deficit (−), end of year:			
Reserved for project operations	189,512	101,812	129,312
Reserved for technical services	1,527,175		
Unreserved	−754,577,236	−872,743,778	−1,007,827,678

Financial Condition

Assets:			
Cash with Treasury and in banks	$39,832,539	$45,375,073	$52,617,673
Accounts receivable, net	1,456,277	1,596,711	1,601,211
Inventories	73,002	73,002	73,002
Deferred charges	11,766	10,466	9,166
Loans to local housing authorities	89,798,680	101,174,680	100,874,680
Mortgage notes	1,898,946	1,787,946	1,693,946
Land, structures, and equipment, net	9,956,782	9,843,082	9,661,482
Total assets	143,027,992	159,860,960	166,531,160

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$38,186,730	$39,962,900	$44,329,500
Unfunded liability for accrued annual leave	1,535,413	1,555,413	1,575,413
Reserve for technical services		2,658,215	2,998,215
Total liabilities	39,722,143	44,176,528	48,903,128
Government investment:			
Interest-bearing capital:			
Start of year	41,000,000	35,000,000	47,000,000
Borrowing from Treasury during year, net	−6,000,000	12,000,000	
End of year	35,000,000	47,000,000	47,000,000
Non-interest-bearing capital:			
Start of year	703,521,786	821,166,398	941,326,398
Appropriations during year:			
Administrative expenses	11,755,000	12,660,000	13,000,000
Annual contributions	98,900,000	107,500,000	124,000,000
Return of unexpended appropriations to Treasury (−):			
Administrative expenses	−179,769		
Annual contributions	−109,334		
Assets declared excess or transferred to other Government agencies, net	−61,262		
Reclassification of assets relinquished to public bodies (contra to deficit)	7,339,977		
End of year	821,166,398	941,326,398	1,078,326,398
Deficit (−)	−752,860,549	−872,641,966	−1,007,698,366
Total Government investment	103,305,849	115,684,432	117,628,032

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$32,904,561	$39,832,539	$45,375,073	$52,617,673
Budget authorizations	1,459,000,000	1,465,000,000	1,453,000,000	1,453,000,000
Total unexpended balance	1,491,904,561	1,504,832,539	1,498,375,073	1,505,617,673
Obligated balance, net:				
Current liabilities	33,633,098	38,186,730	39,962,900	44,329,500
Undisbursed loan obligations:				
Federally guaranteed private loans	667,344,907	792,244,553	865,290,553	974,440,553
Other undisbursed loan commitments	244,834,237	248,147,309	228,147,309	203,147,309
Unpaid undelivered orders		46,609	52,334	62,334
Accounts receivable, net, and cash on hand and in transit (−)	−2,026,139	−1,456,277	−1,596,711	−1,601,211
Total obligated balance	943,786,103	1,077,168,924	1,131,856,385	1,220,378,485
Unobligated balance	548,118,458	427,663,615	366,518,688	285,239,188

NOTE.—The above statements do not reflect contingent unfunded liability for commitments under annual contributions contracts covering local housing authorities bonds and notes held by private investors as follows: 1957, $2,206,389,507; 1958, $2,295,760,297; 1959, $2,520,151,297; 1960, $2,717,035,297.

Intragovernmental funds:

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, PUBLIC HOUSING ADMINISTRATION

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 Act of 1937, as amended (42 U. S. C. 1401–1433), including not to exceed $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); *and* 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, 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

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expenses of the Public Housing Administration not specifically limited in this Act, in carrying out its duties imposed by law, shall not exceed [$1,800,000] *$1,550,000.*

[The limitation in the second proviso under this head in title II of the Independent Offices Appropriation Act, 1959, on certain expenses of the Public Housing Administration, is increased by $500,000.] (*Independent Offices Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Program and Financing—Administrative Expenses

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Development	$5,332,063	$5,343,000	$5,401,000
2. Management	6,260,356	7,317,000	7,599,000
Total obligations	11,592,419	12,660,000	13,000,000
Financing:			
Unobligated balance no longer available	162,581		
Limitation	11,755,000	11,800,000	13,000,000
Proposed increase in limitation due to pay increases		860,000	

Budget program.—The Public Housing Administration is responsible for administering the low-rent public housing program. Administrative expenses are incurred in the performance of development and management functions of the program.

1. *Development.*—Development expenses in 1960 will be incurred in the course of assisting local housing authorities in project planning, solving architectural, engineering, and construction problems, reviewing proposed sites, assisting in land acquisition, preparing cost estimates, and rendering general advisory services.

2. *Management.*—The Administration will incur expenses in the performance of management functions in the form of reviews and advice to local housing authorities. These functions will include management reviews of projects, reviewing budget estimates, fiscal and management audits, consulting engineering service, and inspections of a general nature to ensure proper maintenance of properties.

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: 1958, 435,330; 1959, 456,048; 1960, 475,601.

Object Classification—Administrative Expenses

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,451	1,412	1,400
Full-time equivalent of all other positions	1		
Average number of all employees	1,338	1,370	1,396
Number of employees at end of year	1,328	1,400	1,400
Average GS grade and salary	8.3 $6,347	8.5 $7,068	8.4 $7,090
01 Personal services:			
Permanent positions	$8,878,214	$9,661,000	$9,889,000
Positions other than permanent	5,400		
Other personal services	90,098	88,000	124,000
Total personal services	8,973,712	9,749,000	10,013,000
02 Travel	736,467	850,000	900,000
03 Transportation of things	7,099	10,000	10,000
04 Communication services	201,436	230,000	230,000
05 Rents and utility services	697,923	764,000	764,000
06 Printing and reproduction	44,323	48,000	50,000
07 Other contractual services	96,803	98,360	99,000
General Accounting Office audit	104,916	111,640	111,000
08 Supplies and materials	94,879	95,000	100,000
09 Equipment	98,873	75,000	75,000
11 Grants, subsidies, and contributions	523,764	617,000	633,000
13 Refunds, awards, and indemnities	8,086	10,000	12,000
15 Taxes and assessments	4,138	2,000	3,000
Total obligations	11,592,419	12,660,000	13,000,000

Program and Financing—Nonadministrative Expenses

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Operation and disposition of federally operated projects	$747,370	$550,000	$550,000
2. Inspection of projects under construction	918,043	1,400,000	1,000,000
Total obligation	1,665,413	1,950,000	1,550,000
Financing:			
Unobligated balance no longer available	534,587	350,000	
Limitation	2,200,000	2,300,000	1,550,000

Object Classification—Nonadministrative Expenses

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	210	196	175
Full-time equivalent of all other positions	1		
Average number of all employees	167	188	127
Number of employees at end of year	186	175	101
Average GS grade and salary	10.7 $7,144	11.1 $7,398	11.2 $7,512
01 Personal services:			
Permanent positions	$1,109,653	$1,413,888	$924,676
Positions other than permanent	3,640		
Other personal services	21,403	24,612	14,024
Total personal services	1,134,696	1,428,500	938,700
02 Travel	59,448	125,500	256,700
03 Transportation of things	6,028	10,500	10,500
04 Communication services	4,162	2,700	2,700
05 Rents and utility services	195,660	140,100	140,100
06 Printing and reproduction	367	600	600
07 Other contractual services	71,025	43,100	43,100
Life insurance contributions	3,146	4,500	3,000
Insurance premiums	11,000	200	200
08 Supplies and materials	32,474	52,600	52,600
09 Equipment	39,001	12,100	12,000
11 Grants, subsidies, and contributions	53,689	85,200	57,400
Payment in lieu of taxes	49,527	31,700	31,700
15 Taxes and assessments	5,190	2,700	700
Total obligations	1,665,413	1,950,000	1,550,000

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Audits of urban renewal projects: Office of the Administrator, Housing and Home Finance Agency	$32,728	$37,000	$37,000
2. Labor relations services: Office of the Administrator, Housing and Home Finance Agency	4,000	10,000	10,000
3. Provision of health room facilities: International Cooperation Administration	2,504	3,000	3,000
4. Miscellaneous services: Office of the Administrator, Housing and Home Finance Agency	4,198	5,000	5,000
Total obligations	43,430	55,000	55,000
Financing:			
Advances and reimbursements from—			
Office of the Administrator, Housing and Home Finance Agency	40,926	52,000	52,000
International Cooperation Administration	2,504	3,000	3,000
Total financing	43,430	55,000	55,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5	6	6
Average number of all employees	5	6	6
Number of employees at end of year	2	6	6
Average GS grade and salary	8.8 $6,065	9.7 $7,377	9.7 $7,377
01 Personal services:			
Permanent positions	$29,600	$43,830	$43,660
Other personal services	127	170	340
Total personal services	29,727	44,000	44,000

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PUBLIC HOUSING ADMINISTRATION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$9,505	$6,000	$6,000
05 Rents and utility services	2,100	2,000	2,000
07 Other contractual services	1,300	3,000	3,000
08 Supplies and materials	798		
Total obligations	43,430	55,000	55,000

Proposed for later transmission:

ANNUAL CONTRIBUTIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Annual contributions (total obligations)		$5,500,000	
Financing:			
Proposed supplemental appropriation		5,500,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 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 1960

	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	2	$3,000	2	$700	$2,300	12	$40,000	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.							630	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	1,500	1	150	1,350	1	28,000	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.	3	4,500	3	850	3,650	13	68,630	

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DEPARTMENT OF AGRICULTURE

Total expenditures by the Department of Agriculture in the fiscal year 1960 are estimated at $6.4 billion, a decrease of $891 million from the estimate for 1959 but an increase of $1.6 billion over the amount actually spent in 1958. Of the $6.4 billion estimated to be spent in 1960, about 93% is classified under agriculture and agricultural resources, including 70% for stabilization of farm prices and farm income, 8% for loan programs, 10% for conservation and development of agricultural land and water resources, and 4% for research and other agricultural services.

The remaining 7% of the Department's expenditures is for donations of agricultural commodities to peoples in other countries, classified under international affairs and finance; cash contributions to the national school lunch and the special milk programs, 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.—Net expenditures of the Commodity Credit Corporation for all of its operations in 1960 are estimated at $4.4 billion. These expenditures reflect principally the excess of the Corporation's outlays for loans, commodity purchases, payments to producers, storage and transportation charges, and other operating expenses over its receipts from all sources, mainly from commodity sales and collections on loans. Of the total Corporation expenditures of $4.4 billion in 1960, $4.2 billion is classified under stabilization of farm prices and income; these expenditures account for almost 95% of the expenditures of the Department that are in that classification.

Commodities are acquired by the Corporation by direct purchase and by taking over commodities pledged as security for price support loans. During the fiscal year 1960 it is estimated that the Corporation will acquire commodities costing $5.4 billion and will dispose of commodities representing an investment of $3.1 billion, mainly through donations and sales. In the 5 fiscal years, 1954–58, total commodity acquisitions exceeded total dispositions by more than $3 billion, with a resulting increase in commodity inventory from $2.4 billion on June 30, 1953, to $5.5 billion on June 30, 1958 (see table 1). The Corporation's investment in commodity inventories is expected to increase to $6.8 billion by June 30, 1959, and to $9.1 billion by June 30, 1960. Commodity loans outstanding are estimated to be $1.4 billion on June 30, 1960, bringing the estimated total investment of the Corporation in commodities and loans to almost $10.5 billion by that date.

The expenditure estimates for the Corporation assume that termination of the acreage reserve of the soil bank programs will result in a shift of a part of the acreage to the conservation reserve and a part to the growing of price-supported crops. However, the estimates also assume that crop yields in the 1959 crop year will be substantially lower than yields in the 1958 crop year, which were 11% above the previous record level. As a result, expenditures by the Corporation for price support, supply and purchase programs in the fiscal year 1960 are not expected to increase over the fiscal year 1959 (see table 2).

TABLE 1. COMMODITY CREDIT CORPORATION: COMMODITY INVENTORY OPERATIONS AND INVESTMENT IN COMMODITIES AND LOANS, 1954–60

[In millions]

Year	Commodity acquisitions (fiscal year)	Commodity dispositions (fiscal year)	Investment (end of fiscal year)		
			Commodity inventory	Loans	Total
1954	$3,026	$1,712	$3,728	$2,368	$6,096
1955	3,435	2,173	4,989	2,138	7,127
1956	3,741	2,747	5,984	2,319	8,303
1957	3,610	4,222	5,372	1,994	7,366
1958	3,545	3,461	5,456	1,600	7,056
1959 estimate	3,767	2,424	6,798	2,336	9,134
1960 estimate	5,403	3,104	9,094	1,352	10,446

TABLE 2. DEPARTMENT OF AGRICULTURE: EXPENDITURES FOR THE STABILIZATION OF FARM PRICES AND FARM INCOME, 1954–60

[In millions]

Program	1954	1955	1956	1957	1958	1959 estimate	1960 estimate
Price support, supply, and purchase programs (Commodity Credit Corporation)	$1,333	$3,075	$2,898	$1,087	$987	$3,118	$2,880
Title I of Public Law 480	-------	130	615	1,338	1,073	1,049	1,033
International Wheat Agreement	59	100	92	90	82	65	(1)
Transfer of bartered commodities to supplemental stockpile	-------	-------	-------	217	84	129	225
National Wool Act	-------	-------	2	61	57	21	81
Soil bank—Acreage reserve	-------	-------	4	344	620	713	1
Removal of surplus agricultural commodities	178	59	179	171	125	150	150
Sugar Act	66	70	65	67	70	68	75
Acreage allotments and marketing quotas	40	40	39	40	41	40	39
Other	13	12	7	15	12	33	6
Total	1,689	3,486	3,901	3,430	3,151	5,386	4,490

[1] Continuation of the International Wheat Agreement is currently under consideration.

Of the total of $4.4 billion of estimated net expenditures of the Commodity Credit Corporation in 1960, it is estimated that over $1 billion will represent financing of the sale of farm commodities for foreign currencies under the Agriculture Trade Development and Assistance Act of 1954 (Public Law 480). The Corporation finances such sales in part by furnishing commodities from its own inventory and in part by financing purchases of commodities in the market for use in this export program. The Corporation also finances sales of wheat abroad under the International Wheat Agreement and sales of wheat and other farm commodities under certain special export programs.

Foreign currencies received from sales under title I of Public Law 480 are available to Federal agencies for uses specified in that law. The Department of Agriculture uses such funds to finance foreign market development activities of the Foreign Agricultural Service, and for research abroad to discover ways to increase industrial

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uses of agricultural commodities. Uses made by the several agencies (i. e., obligations and expenditures) are reported with other budget schedules of the using agencies and allocations are summarized at the end of the chapter on Funds Appropriated to the President.

Expenditures of foreign currencies obtained under title I of the Agricultural Trade Development and Assistance Act of 1954 during the fiscal year 1958 and estimated expenditures for 1959 and 1960 are summarized in table 3. The table excludes expenditures for new uses authorized by the amendments to this law enacted in 1958. It is expected that a supplemental request will be sent later to the Congress regarding the uses of foreign currencies in 1960 under the authority provided by these amendments.

The budget provides for the President's recommendation of a 1-year extension of title I of the Agricultural Trade Development and Assistance Act of 1954, under which agricultural commodities are sold for foreign currencies, and of title II, under which commodities are donated for relief purposes. It is proposed that the total authority for reimbursement of the Corporation for costs and losses under title I be increased from the present limit of $6,250 million to $7,750 million.

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	1958 actual	1959 estimate	1960 estimate
Use for loans or grants to foreign countries:				
Funds appropriated to the President: Mutual security program.	Grants and loans	$231.0	$230.8	$350.0
Use by U. S. agencies without reimbursement to Commodity Credit Corporation:				
Independent offices:				
Export-Import Bank	Loans		83.4	150.2
United States Information Agency.	Salaries and expenses (assistance to binational centers, translation and distribution of publications).	.2	1.6	4.0
Department of Agriculture:				
Foreign Agricultural Service	Market development.	3.6	9.0	8.0
Agricultural Research Service	Market development research.		1.4	3.4
Department of Defense—Military Functions.	Operation and maintenance (Inter-American geodetic surveys).		.3	.1
Department of State: Educational exchange.	International educational exchange activities.	1.4	7.6	7.0
Use by U. S. agencies with long-term reimbursement to Commodity Credit Corporation:				
Department of Defense—Military Functions.	Military construction (military family housing).	16.0	31.4	40.6
Use by U. S. agencies with reimbursement to Treasury.	Various (not separately identified).	69.6	63.8	85.0
Total		321.9	429.3	648.3

The costs and losses incurred by the Corporation in its operations necessitate appropriations at a later date to reimburse the Corporation and to restore its capital. Appropriations for these purposes recommended for fiscal 1960 include $2 billion to restore the capital impairment of the Corporation for price support losses and $1.2 billion to reimburse the Corporation for estimated costs and losses under other price and income stabilization programs financed by that agency in 1959 and prior years.

Expenditures of $271 million for 1960 are estimated for other programs for the stabilization of farm prices and income that are not financed by the Corporation. These programs include, principally, removal from the market of commodities in temporary surplus, mainly by purchase and donation to schools and welfare agencies; payments to sugar growers under the Sugar Act; and administrative expenses of the Commodity Stabilization Service in the establishment of acreage allotments and marketing quotas.

Financing rural electrification and telephones.—The budget recommends new authority to incur obligations of $225 million for the Rural Electrification Administration in the fiscal year 1960 as compared with $419 million enacted for the fiscal year 1959. This additional obligational authority, together with carry-over authority from 1959, will provide a loan program level of $325 million in 1960. Legislation will be proposed to broaden the sources of loan funds for this program and to authorize the use of loan repayments to make new loans. Expenditures under the Rural Electrification Administration program in 1960 are estimated at $335 million as compared with $325 million in 1959.

Financing farm ownership and operation.—New obligational authority of $204 million is recommended for the Farmers' Home Administration in 1960 for operating, farm ownership, and soil and water loans and necessary administrative expenses. No additional obligational authority is required for the farm housing loan program, which is classified under commerce and housing. The $204 million of new obligational authority will permit a loan program level of $185 million in 1960, including $13 million of farm housing loans. Legislation will be proposed to authorize the Farmers' Home Administration to use its loan repayments for new loans.

Conservation of agricultural land and water resources.—Expenditures for agricultural land and water conservation are estimated at $675 million in the fiscal year 1960, an increase of $160 million over 1959. Most of the increase is in the conservation reserve program of the soil bank which is expected to absorb a part of the land that has been in the terminating acreage reserve of the soil bank. Rental payments as well as cost-sharing conservation practice payments are included in the total expenditures for conservation of agricultural land and water resources. In previous budget documents the rental payments were classified as expenditures for stabilization of farm prices and income.

Expenditures under the agricultural conservation program are expected to be $197 million in the fiscal year 1960. These payments were authorized in the 1959 appropriation act. The budget proposes a reduction of the advance authorization for payments for conservation practices performed in the 1960 crop year to $100 million.

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Expenditures for technical guidance by the Soil Conservation Service will be at about the same level as in 1959.

No additional funds are provided in the budget for the initiation of works of improvement under the Watershed Protection and Flood Prevention Act. However, initiation of construction on the 100 works of improvement previously scheduled for 1959 will be spread over 1959 and 1960. Expenditures under this program are expected to be $24 million in 1960 compared with $23 million in 1959.

Research and other agricultural services.—Expenditures for these services include, in addition to those for research, outlays for educational activities, control of harmful insects, eradication of diseases of plants and animals, promotion of markets for farm commodities, and related general services to agriculture. Funds provided in the budget for research to promote industrial uses of agricultural commodities are supplemented with foreign currencies obtained from the sale of commodities under Public Law 480 which are used to finance such research abroad. It is expected that up to $10 million of such currencies will be used to contract for such research in 1960.

Other functions.—Expenditures in 1960 for emergency grants of farm commodities to other countries are estimated at $94 million. They will be reimbursed to the Commodity Credit Corporation in subsequent years from appropriated funds. The budget provides for a reduction of the cash contribution to school lunches from $110 million in 1959 to $100 million in 1960 and elimination of the transfer of $35 million from the permanent appropriation for removal of surplus commodities provided in the 1959 appropriation act. However, surplus commodities acquired will continue to be made available to the school lunch program. The special milk program will be continued at about the same level as in 1959. Loans for farm housing are expected to be about $13 million, a substantial reduction from the 1959 level when this program was expanded as an antirecession measure. Most of the research, management, and development programs of the Forest Service will continue at about existing levels in 1960, with some increase for timber sales, offset by other program decreases.

Economy and user-charge proposals.—Legislation will be proposed to amend the present basic authority of the Department of Agriculture providing for assistance to farmers, ranchers and stockmen in major disaster areas, so as to require State and local contributions to such programs equal to at least 25% of the cost of feed and seed assistance.

In line with the administration's policy of reducing the burden on general taxpayers for services of special benefit to limited groups, legislation will be proposed to remove certain statutory restrictions on the setting of fees and granting of licenses for various inspection and registration services of the department. Legislation will also be proposed to permit the Federal Crop Insurance Corporation to include administrative expenses in the determination of appropriate premium rates for crop insurance.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
International affairs and finance:						
152 Economic and technical development	$220,245	$119,270	$104,508	$121,446	$105,834	$94,395
Labor and welfare:						
217 Other welfare services and administration	145,587	202,045	166,731	166,720	217,901	174,891
Agriculture and agricultural resources:						
351 Stabilization of farm prices and farm income	4,974,401	3,852,084	3,608,918	3,151,166	5,386,056	4,489,735
352 Financing farm ownership and operation	239,714	244,200	204,300	242,093	247,269	194,289
353 Financing rural electrification and rural telephones	248,056	419,132	224,632	296,892	324,855	334,603
354 Conservation and development of agricultural land and water resources	509,861	587,284	730,917	448,139	514,476	674,607
355 Research and other agricultural services	282,829	309,018	294,276	254,607	298,536	300,823
Total, agriculture and agricultural resources	6,254,861	5,411,718	5,063,043	4,392,897	6,771,192	5,994,057
Natural resources:						
402 Conservation and development of forest resources	175,359	183,570	180,174	163,688	183,336	173,652
Commerce and housing:						
517 Farm housing				30,186	63,100	13,000
Total, Department of Agriculture	6,796,052	5,916,602	5,514,456	4,874,937	7,341,363	6,449,995

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
AGRICULTURAL RESEARCH SERVICE												
Current authorizations:												
Salaries and expenses	355	$107,371	$128,753	$8,396	$134,825	$99,121	$127,500	$8,000	$135,500	$134,000	$396	$134,396
Reappropriation	355		346									
State experiment stations	355	30,591	31,804		31,804	30,686	31,735		31,735	31,735		31,735
Diseases of animals and poultry: Reappropriation	355	44	29			608	150		150	20		20
Animal disease laboratory facilities	355					440	5,565		5,565	8,000		8,000
Research facilities	355					627	191		191			
Research on strategic and critical agricultural materials	355					42	6		6			
Permanent authorizations:												
Alterations and improvements, animal quarantine station, Clifton, N. J. (indefinite special fund)	355		30							30		30
Intragovernmental funds:												
Working capital fund	355					−18	18		18			
Advances and reimbursements	355						1		1			
Total, Agricultural Research Service		138,006	160,962	8,396	166,629	131,506	165,166	8,000	173,166	173,785	396	174,181
EXTENSION SERVICE												
Current authorizations:												
Cooperative extension work, payments and expenses	356	60,236	63,159	162	64,140	58,819	63,225	154	63,379	64,110	8	64,118
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Cooperative extension work, payments and expenses	355			623				467	467		156	156
Total, Extension Service		60,236	63,159	785	64,140	58,819	63,225	621	63,846	64,110	164	64,274
FARMER COOPERATIVE SERVICE												
Current authorizations:												
Salaries and expenses	355	589	578	42	620	568	577	37	614	615	5	620
Intragovernmental funds:												
Advances and reimbursements	355					−23	−2		−2			
Total, Farmer Cooperative Service		589	578	42	620	545	575	37	612	615	5	620
SOIL CONSERVATION SERVICE												
Current authorizations:												
Conservation operations	354	75,045	74,780	6,328	81,072	71,665	76,900	6,100	83,000	80,772	228	81,000
Watershed protection	354	25,500	25,500		20,000	13,801	23,000		23,000	24,000		24,000
Flood prevention	354	13,220	18,000		15,000	12,120	15,000		15,000	15,000		15,000
Water conservation and utilization projects	354	350	335		75	350	282		282	137		137
Great Plains conservation program	354	10,000	10,000		12,500	1,563	6,000		6,000	9,000		9,000
Total, Soil Conservation Service		124,115	128,615	6,328	128,647	99,499	121,182	6,100	127,282	128,909	228	129,137
AGRICULTURAL CONSERVATION PROGRAM SERVICE												
Current authorizations:												
Agricultural conservation program	354	212,000	235,000		241,500	211,871	225,000		225,000	225,000		225,000
Emergency conservation measures	354	20,000				1,975	5,794		5,794	5,000		5,000
Reappropriation	354		16,941									
Total, Agricultural Conservation Program Service		232,000	251,941		241,500	213,846	230,794		230,794	230,000		230,000
AGRICULTURAL MARKETING SERVICE												
Current authorizations:												
Marketing research and service	355	30,504	34,854	2,846	42,060	28,244	35,918	2,731	38,649	41,444	115	41,559
Payments to States, Territories, and possessions	355	1,160	1,160		1,160	1,160	1,160		1,160	1,160		1,160
School lunch program	217	99,965	145,000		100,000	99,990	144,127		144,127	101,000		101,000
Permanent authorizations:												
Perishable Agricultural Commodities Act fund (indefinite special fund)	355	675	675		685	570	703		703	751		751
Removal of surplus agricultural commodities (indefinite)	351	216,227	196,150		238,607	125,452	150,000		150,000	150,000		150,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
AGRICULTURAL MARKETING SERVICE—Con.												
Intragovernmental funds:												
Advances and reimbursements	355					−$9	$16		$16			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Marketing research and service	355			$1,107				$836	836		$271	$271
Total, Agricultural Marketing Service		$348,531	$377,839	3,953	$382,512	255,407	331,924	3,567	335,491	$294,355	386	294,741
FOREIGN AGRICULTURAL SERVICE												
Current authorizations:												
Salaries and expenses	355	4,087	4,002	266	6,861	3,910	4,045	238	4,283	6,681	27	6,708
COMMODITY EXCHANGE AUTHORITY												
Current authorizations:												
Salaries and expenses	355	865	832	68	900	824	876	62	938	891	6	897
SOIL BANK PROGRAMS												
Current authorizations: [1]												
Conservation reserve	354	153,188	200,000		360,370	132,722	145,000		145,000	342,070		342,070
Acreage reserve	351	522,250	609,450		1,050	518,815	609,528		609,528	1,077		1,077
Total, soil bank programs		675,438	809,450		361,420	651,537	754,528		754,528	343,147		343,147
COMMODITY STABILIZATION SERVICE												
Current authorizations:												
Acreage allotments and marketing quotas	351	40,826	39,715		39,135	40,625	39,931		39,931	39,138		39,138
Sugar act program	351	67,663	76,000		71,500	69,572	68,228		68,228	75,187		75,187
Intragovernmental funds:												
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938	355					−866	−209		−209	422		422
Local Administration, sec. 388, Agricultural Adjustment Act of 1938	355					1,166	3,419		3,419			
Total, Commodity Stabilization Service		108,489	115,715		110,635	110,497	111,369		111,369	114,747		114,747
COMMODITY CREDIT CORPORATION (FUND)												
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK												
Public enterprise funds:												
Price support, supply, and related programs:												
Restoration of capital impairment (current appropriation)	351	1,194,167	1,703,355		1,468,693	986,763	3,118,071		3,118,071	2,798,544		2,798,544
Limitation on administrative expenses		(34,806)	(34,798)	(2,611)	(44,642)							
Special milk program:												
Restoration of capital impairment (current appropriation)	217	45,622	57,045		66,731	66,731	73,774		73,774	73,891		73,891
Limitation on administrative expenses		(592)	(600)	(58)	(658)							
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Price support, supply, and related programs:												
Limitation on administrative expenses				(2,000)								
Partial restoration of estimated capital impairment as of June 30, 1959 (current appropriation)	351				575,000						81,000	81,000
Total, price support, supply, and related programs and special milk		1,239,789	1,760,400		2,110,424	1,053,494	3,191,845		3,191,845	2,872,435	81,000	2,953,435

[1] Budget expenditures include unused advances to Commodity Credit Corporation as follows: Acreage reserve—1958, $19,110 thousand; Conservation reserve—1958, $19,986 thousand; 1959, $4,000 thousand; 1960, $3,000 thousand.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
COMMODITY CREDIT CORPORATION (FUND)—Continued												
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION												
Public enterprise funds (current appropriations unless otherwise indicated):												
Reimbursement to Commodity Credit Corporation for—												
International Wheat Agreement	351	$182,927			$63,875	$82,418	$64,773		$64,773			
Emergency famine relief to friendly peoples	152	220,245			104,508	121,446	105,834		105,834	$94,395		$94,395
Sales of surplus agricultural commodities for foreign currencies	351	1,927,841			968,016	1,073,204	1,048,611		1,048,611	983,475		983,475
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed	351	5			35	19	35		35			
Transfer of bartered materials to supplemental stockpile	351	218,946			129,000	83,853	129,000		129,000	225,000		225,000
Animal disease eradication activities	355	37,523			1,057	19,786	1,059		1,059			
Grading and classing activities	355	1,209			1,607	1,379	1,523		1,523	1,456		1,456
Soil bank programs:												
Acreage reserve	351	567,500				101,185	103,163		103,163			
Conservation reserve	354					−19,986	−4,000		−4,000	1,000		1,000
National Wool Act (permanent indefinite appropriation)	351	29,672	$24,453		47,630	57,182	21,096		21,096	80,938		80,938
Loans to Secretary of Agriculture for conservation purposes	354					21,500	15,000		15,000	−28,000		−28,000
Military housing (Public Law 161, 84th Cong., barter and exchange)	351					11,055	38,288		38,288	−1,000		−1,000
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation	351					−487	487		487			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Reimbursement to Commodity Credit Corporation (current appropriations) for—												
International Wheat Agreement	351			$80,800								
Emergency famine relief to friendly peoples	152			119,270								
Sales of surplus agricultural commodities for foreign currencies	351			1,033,515								
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed	351			19								
Transfer of bartered materials to supplemental stockpile	351			82,250								
Animal disease eradication activities	355			19,390								
Grading and classing activities	355			1,511								
Under proposed legislation: Sales of surplus agricultural commodities for foreign currencies	351										$50,000	50,000
Total, special activities financed by Commodity Credit Corporation		3,185,868	24,453	1,336,755	1,315,728	1,552,554	1,524,869		1,524,869	1,357,264	50,000	1,407,264
Total, Commodity Credit Corporation (fund)		4,425,657	1,784,853	1,336,755	3,426,152	2,606,048	4,716,714		4,716,714	4,229,699	131,000	4,360,699
FEDERAL CROP INSURANCE CORPORATION												
Current authorizations:												
Operating and administrative expenses	351	6,377	6,377		6,377	6,379	7,400		7,400	6,376		6,376
Public enterprise funds:												
Federal Crop Insurance Corporation fund	351					−4,869	−12,555		−12,555			
Limitation on administrative expenses	351	(2,000)	(2,000)	(330)	(2,330)							
Total, Federal Crop Insurance Corporation		6,377	6,377		6,377	1,510	−5,155		−5,155	6,376		6,376
RURAL ELECTRIFICATION ADMINISTRATION												
Current authorizations:												
Salaries and expenses	353	9,056	9,019	613	9,632	8,700	9,278	$577	9,855	9,567	36	9,603
Loan authorizations (authorization to expend from debt receipts)	353	239,000	409,500		215,000	288,192	315,000		315,000	325,000		325,000
Total, Rural Electrification Administration		248,056	418,519	613	224,632	296,892	324,278	577	324,855	334,567	36	334,603

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
FARMERS' HOME ADMINISTRATION												
Current authorizations:												
Loan authorizations (authorization to expend from debt receipts):												
Farm ownership, farm operating, and soil and water conservation	352	$209,500	$209,500		$173,000	$223,128	$211,850		$211,850	$171,600		$171,600
Farm housing	517					30,186	63,100		63,100	13,000		13,000
Salaries and expenses	352	30,214	29,090	$2,210	31,300	28,682	30,729	$2,110	32,839	31,202	$100	31,302
Public enterprise funds:												
Disaster loans, etc., revolving fund	352					−4,664	−697		−697	−7,962		−7,962
Farm tenant-mortgage insurance fund (indefinite permanent authorization to expend from debt receipts)	352		3,400			−5,053	3,277		3,277	−651		−651
Total, Farmers' Home Administration		239,714	241,990	2,210	204,300	272,279	308,259	2,110	310,369	207,189	100	207,289
OFFICE OF THE GENERAL COUNSEL												
Current authorizations:												
Salaries and expenses	355	3,028	2,968	268	3,311	2,869	3,088	253	3,341	3,284	15	3,299
OFFICE OF THE SECRETARY												
Current authorizations:												
Salaries and expenses	355	2,744	2,669	208	2,881	2,606	2,788	198	2,986	2,868	10	2,878
Intragovernmental funds:												
Working capital fund	355					−47	−24		−24	−37		−37
Total, Office of the Secretary		2,744	2,669	208	2,881	2,559	2,764	198	2,962	2,831	10	2,841
OFFICE OF INFORMATION												
Current authorizations:												
Salaries and expenses	355	1,402	1,359	59	1,432	1,426	1,352	42	1,394	1,429	17	1,446
Intragovernmental funds:												
Advances and reimbursements	355					−49						
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	355			18							18	18
Total, Office of Information		1,402	1,359	77	1,432	1,377	1,352	42	1,394	1,429	35	1,464
LIBRARY												
Current authorizations:												
Salaries and expenses	355	801	772	63	933	767	778	60	838	917	3	920
FOREST SERVICE												
Current authorizations:												
Forest protection and utilization	402	99,891	103,505	5,432	104,150							
Salaries and expenses (expired account)	402					94,199	105,696	5,138	110,834	101,831	294	102,125
Cooperative range improvements (special fund)	402	700	700		700							
Forest roads and trails:												
Liquidation of contract authorization	402	(24,336)	(26,000)		(24,000)	20,891	31,115		31,115	24,000		24,000
Contract authorization	402	32,000	30,000		30,000							
Acquisition of lands for national forests:												
Cache National Forest	402	50	50		50	17	28		28	50		50
Special acts (special fund)	402	9	10		10	11	10		10	10		10
Superior National Forest	402	500				265	265		265	265		265
Weeks Act	402					58	40		40	1		1
Assistance to States for tree planting	402	500				78	400		400	20		20
State and private forestry cooperation	402					1,463	52		52	6		6

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
FOREST SERVICE—Continued												
Permanent authorizations:												
Expenses, brush disposal (indefinite special fund)	402	$3,767	$5,000		$5,000	$4,278	$4,350		$4,350	$4,350		$4,350
Roads and trails for States, national forests fund (indefinite special fund)	402	10,791	8,885		11,400	15,353	8,885		8,885	11,400		11,400
Miscellaneous permanent appropriations:												
Forest fire prevention (indefinite special fund)	402	23	20		20	17	19		19	20		20
Restoration of forest lands and improvements (indefinite special fund)	402		100		100		85		85	100		100
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special fund)	402	48	48		48	48	48		48	48		48
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund)	354	558	400		400	558	400		400	400		400
Payments to school funds, Arizona and New Mexico, Act of June 20, 1910 (receipt limitation) (indefinite)	402	105	105		105	105	105		105	105		105
Payments to States and Territories from the national forests fund (indefinite special fund)	402	26,975	22,215		28,575	26,975	22,215		22,215	28,575		28,575
Construction of improvements, Salt Lake City, Utah (indefinite special fund)	402				16					12		12
Intragovernmental funds:												
Working capital fund, Forest Service	402					−85	10		10	−60		−60
Advances and reimbursements	402					15						
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Forest protection and utilization	402			$7,500				$4,875	4,875		$2,625	2,625
Total, Forest Service		175,917	171,038	12,932	180,574	164,246	173,723	10,013	183,736	171,133	2,919	174,052
Total new obligational authority and budget expenditures		6,796,052	4,543,638	1,372,964	5,514,456	4,874,937	7,309,485	31,878	7,341,363	6,314,665	135,330	6,449,995
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$6,026,667	$3,615,841		$4,188,870							
Appropriations to liquidate contract authorization		(24,336)	(26,000)		(24,000)							
Authorization to expend from debt receipts		448,500	619,000		388,000							
Contract authorizations		32,000	30,000		30,000	$4,874,937	$7,309,485			$6,314,665		
Reappropriations		44	17,316									
Permanent authorizations:												
Appropriations		288,841	258,081		332,586							
Authorizations to expend from debt receipts			3,400									
Proposed for later transmission:												
Pay increase supplemental appropriations			26,961				25,700			1,260		
Other: Appropriations			1,346,003		575,000		6,178			134,070		
Total new obligational authority and budget expenditures		6,796,052	5,916,602		5,514,456	4,874,937	7,341,363			6,449,995		

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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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
COMMODITY CREDIT CORPORATION (FUND)										
Price support, supply, and related programs	351	$3,106,913	$4,880,086	$4,625,091	$2,120,150	$1,762,015	$1,826,547	$986,763	$3,118,071	$2,798,544
Special milk program	217	68,835	75,000	75,000	2,104	1,226	1,109	66,731	73,774	73,891
Total, price support, supply, and related programs and special milk		3,175,748	4,955,086	4,700,091	2,122,254	1,763,241	1,827,656	1,053,494	3,191,845	2,872,435
Special activities financed by Commodity Credit Corporation:										
International affairs and finance: Economic and technical development	152	121,446	105,834	94,395				121,446	105,834	94,395
Agriculture and agricultural resources:										
Stabilization of farm prices and farm income	351	1,479,944	1,477,893	1,377,938	71,514	72,439	89,525	1,408,429	1,405,453	1,288,413
Conservation and development of agricultural land and water resources	354	17,714	33,500	10,500	16,200	22,500	37,500	1,514	11,000	−27,000
Research and other agricultural services	355	21,165	2,582	1,456				21,165	2,582	1,456
Total, special activities financed by Commodity Credit Corporation		1,640,268	1,619,808	1,484,289	87,714	94,939	127,025	1,552,554	1,524,869	1,357,264
Proposed for later transmission:										
Under existing legislation: Partial restoration of estimated capital impairment as of June 30, 1959	351			81,000						81,000
Under proposed legislation: Sales of surplus agricultural commodities for foreign currencies	351			50,000						50,000
Total, Commodity Credit Corporation (fund)		4,816,016	6,574,894	6,315,380	2,209,968	1,858,180	1,954,681	2,606,048	4,716,714	4,360,699
FEDERAL CROP INSURANCE CORPORATION										
Federal Crop Insurance Corporation fund	351	13,879	7,527	24,700	18,748	20,082	24,700	−4,869	−12,555	
FARMERS' HOME ADMINISTRATION										
Disaster loans, etc., revolving fund	352	68,979	64,010	53,976	73,643	64,707	61,938	−4,664	−697	−7,962
Farm tenant-mortgage insurance fund	352	18,894	16,267	14,509	23,947	12,990	15,160	−5,053	3,277	−651
Total, public enterprise funds		4,917,768	6,662,698	6,408,565	2,326,306	1,955,959	2,056,479	2,591,462	4,706,739	4,352,086

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$14,499		$21,995		$23,463	$134,825	$115,800	$18,596		$23,892
State experiment stations		305		135		203	31,804	31,535	200		272
Diseases of animals and poultry		911		172		52			20		32
Animal disease laboratory facilities	$15,765	16,468	$15,651	16,028	$968	10,463			8,000		2,463
Research facilities	277	817	148	191							
Research on strategic and critical agricultural materials		49		7							
Permanent authorizations:											
Alterations and improvements, animal quarantine station, Clifton, N. J. (indefinite special fund)						30			30		
Intragovernmental funds:											
Working capital fund	383	286	125	304	127	286				$130	286
Advances and reimbursements		1		1							
Total, Agricultural Research Service	16,425	33,336	15,924	38,833	1,095	34,497	166,629	147,335	26,846	130	26,945
EXTENSION SERVICE											
Current authorizations:											
Cooperative extension work, payments and expenses		1,484		1,434		1,376	64,140	62,781	1,337		1,398
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Cooperative extension work, payments and expenses						156			156		
Total, Extension Service		1,484		1,434		1,532	64,140	62,781	1,493		1,398
FARMER COOPERATIVE SERVICE											
Current authorizations:											
Salaries and expenses		41		64		68	620	552	68		68
Intragovernmental funds:											
Advances and reimbursements		34		55		57					57
Total, Farmer Cooperative Service		75		119		125	620	552	68		125
SOIL CONSERVATION SERVICE											
Current authorizations:											
Conservation operations		4,693		8,527		5,788	81,072	75,212	5,788		5,860
Watershed protection	7,150	12,500	16,796	24,199	10,000	26,699	20,000		24,000		22,699
Flood prevention	1,583	6,096	1,376	7,196		10,196	15,000	4,804	10,196		10,196
Water conservation and utilization projects	16	45	17	45		98	75	39	98		36
Great Plains conservation program			4,364	8,437		12,437	12,500	2,000	7,000		15,937
Total, Soil Conservation Service	8,749	23,334	22,553	48,404	10,000	55,218	128,647	82,055	47,082		54,728
AGRICULTURAL CONSERVATION PROGRAM SERVICE											
Current authorizations:											
Agricultural conservation program	16	22,556	2	22,612		32,612	241,500	193,958	31,042		49,112
Emergency conservation measures	3,069	3,069		4,153		15,300			5,000		10,300
Total, Agricultural Conservation Program Service	3,085	25,625	2	26,765		47,912	241,500	193,958	36,042		59,412
AGRICULTURAL MARKETING SERVICE											
Current authorizations:											
Marketing research and service		3,180		5,170		4,221	42,060	37,760	3,799		4,722
Payments to States, Territories, and possessions							1,160	1,160			
School lunch program		890		640		1,513	100,000	99,487	1,513		513
Permanent authorizations:											
Perishable Agricultural Commodities Act fund (indefinite special fund)	312	343	395	448	361	420	685	331	420	297	354
Removal of surplus agricultural commodities (indefinite)	297,949	318,074	300,000	325,263	300,000	327,756	238,607		150,000	300,000	[1] 327,756
Intragovernmental funds:											
Advances and reimbursements	20	72	22	132		116					116
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Marketing research and service						271			271		
Total, Agricultural Marketing Service	298,281	322,559	300,417	331,653	300,361	334,297	382,512	138,738	156,003	300,297	333,461

[1] Excludes amounts no longer available in 1960 of $88,607 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FOREIGN AGRICULTURAL SERVICE											
Current authorizations:											
Salaries and expenses		$771		$887		$872	$6,861	$5,858	$850		$1,025
COMMODITY EXCHANGE AUTHORITY											
Current authorizations:											
Salaries and expenses		42		82		44	900	853	44		47
SOIL BANK PROGRAMS											
Current authorizations:											
Conservation reserve				1,356		1,356	360,370	340,714	1,356		19,656
Acreage reserve:											
Appropriation				39		39	1,050	1,038	39		12
Authorization to expend from debt receipts	$15,610	16,226	$233	310							
Total, soil bank programs	15,610	16,226	233	1,705		1,395	361,420	341,752	1,395		19,668
COMMODITY STABILIZATION SERVICE											
Current authorizations:											
Acreage allotments and marketing quotas		117		291		75	39,135	39,063	75		72
Sugar Act program		4,614		2,666		10,438	71,500	64,856	10,331		6,751
Intragovernmental funds:											
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938	986	2,364		2,613		2,822			422		2,400
Local administration, sec. 388, Agricultural Adjustment Act of 1938	5,052	7,020		5,419		2,000					2,000
Total, Commodity Stabilization Service	6,038	14,115		10,989		15,335	110,635	103,919	10,828		11,223
COMMODITY CREDIT CORPORATION (FUND)											
Public enterprise funds:											
Price support, supply, and related programs and special milk:											
Cash		44,682		26,961		22,855	1,535,424	2,851,152	1,378,547		25,308
Authorization to expend from debt receipts	586,882	1,117,000	2,463,319	2,972,000	$875,875	1,381,000				$9,762	
Special activities financed by Commodity Credit Corporation							1,315,728				
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Partial restoration of estimated capital impairment as of June 30, 1959							575,000	81,000			494,000
Under proposed legislation: Sales of surplus agricultural commodities for foreign currencies									50,000		−50,000
Total, Commodity Credit Corporation (fund)	586,882	1,161,682	2,463,319	2,998,961	875,875	1,403,855	3,426,152	2,932,152	1,428,547	9,762	469,308
FEDERAL CROP INSURANCE CORPORATION											
Current authorizations:											
Operating and administrative expenses		1,513		1,511		488	6,377	5,891	485		489
Public enterprise funds:											
Federal Crop Insurance Corporation fund	21,538	21,768	25,755	26,637	35,843	39,192				35,843	39,192
Total, Federal Crop Insurance Corporation	21,538	23,281	25,755	28,148	35,843	39,680	6,377	5,891	485	35,843	39,681
RURAL ELECTRIFICATION ADMINISTRATION											
Current authorizations:											
Salaries and expenses		414		769		516	9,632	9,087	516		545
Loan authorizations (authorization to expend from debt receipts)	171,570	931,703	67,628	862,511	107,353	957,011	215,000	20,000	305,000	353	847,011
Total, Rural Electrification Administration	171,570	932,117	67,628	863,280	107,353	957,527	224,632	29,087	305,516	353	847,556

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FARMERS' HOME ADMINISTRATION											
Current authorizations:											
Loan authorizations (authorization to expend from debt receipts):											
Farm ownership, farm operating, and soil and water conservation		$23,386		$3,529		$1,179	$173,000	$170,460	$1,140		$2,579
Farm housing	$430,139	433,312	$397,459	403,126	$337,459	340,026			13,000	$325,459	327,026
Salaries and expenses		1,437		3,002		1,421	31,300	29,881	1,421		1,419
Public enterprise funds:											
Disaster loans, etc., revolving fund	33,679	28,033	38,331	32,697	39,779	33,394			−7,962	47,991	41,356
Farm tenant-mortgage insurance fund	2,651	1,301	2,837	1,114	3,367	1,237			−651	3,572	[2] 1,138
Total, Farmers' Home Administration	466,469	487,469	438,627	443,468	380,605	377,257	204,300	200,341	6,948	377,022	373,518
OFFICE OF THE GENERAL COUNSEL											
Current authorizations:											
Salaries and expenses		130		278		173	3,311	3,126	173		185
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		125		254		145	2,881	2,734	144		148
Intragovernmental funds:											
Working capital fund	252	264	226	311	212	335			−37	210	372
Total, Office of the Secretary	252	389	226	565	212	480	2,881	2,734	107	210	520
OFFICE OF INFORMATION											
Current authorizations:											
Salaries and expenses		350		362		386	1,432	1,061	385		372
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Salaries and expenses						18			18		
Total, Office of Information		350		362		404	1,432	1,061	403		372
LIBRARY											
Current authorizations:											
Salaries and expenses		34		64		59	933	879	41		72
FOREST SERVICE											
Current authorizations:											
Forest protection and utilization	36	7,743		14,532		12,710	104,150	89,880	12,245		15,435
Cooperative range improvements (special fund)							700				
Forest roads and trails:											
Appropriation	337	8,270		11,715		6,600	30,000		24,000		6,600
Contract authorization	27,000	27,000	26,916	34,664	30,000	38,664				36,000	44,664
Acquisition of lands for national forests:											
Cache National Forest	3	50	53	83		105	50		50		105
Special acts (special fund)		15		13		13	10	2	8		13
Superior National Forest	268	532	532	767		502			265		237
Weeks Act		119		41		1			1		
Assistance to States for tree planting			9	422		22			20		2
State and private forestry cooperation		1,598		58		6			6		
Permanent authorizations:											
Expenses, brush disposal (indefinite special fund)	2,676	3,125	1,775	2,613	2,326	3,263	5,000	2,000	2,350	2,326	3,913
Roads and trails for States, national forests fund (indefinite special fund)	489	4,562					11,400	11,400			
Miscellaneous permanent appropriations:											
Forest fire prevention (indefinite special fund)	5	7	11	13		14	20	10	10		14
Restoration of forest lands and improvements (indefinite special fund)						15	100	85	15		15
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special fund)							48	48			

[2] Excludes amounts no longer available in 1960 of $750 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
FOREST SERVICE—Continued											
Permanent authorizations—Continued											
Miscellaneous permanent appropriations—Continued											
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund)							$400	$400			
Payments to school funds, Arizona and New Mexico, act of June 20, 1910 (receipt limitation) (indefinite)							105	105			
Payments to States and Territories from the national forests fund (indefinite special fund)							28,575	28,575			
Construction of improvements, Salt Lake City, Utah (indefinite special fund)							16	12			$4
Intragovernmental funds:											
Working capital fund, Forest Service	−$446	$1,422	$76	$1,506	$291	$1,496			−$60	$839	1,556
Advances and reimbursements		15									
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Forest protection and utilization						2,625			2,625		
Total, Forest Service	30,368	54,458	29,372	66,427	32,617	66,036	180,574	132,517	41,535	39,165	72,558
Total, Department of Agriculture	1,625,267	3,097,477	3,364,056	4,862,424	1,743,961	3,336,698	5,514,456	4,385,589	2,064,406	762,782	2,311,802
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$329,951	$441,588	$341,129	$476,819	$313,655	$505,358				$302,623	$526,141
Balances of anticipated pay increase supplementals not identified above						−1,260					
Subtotal	329,951	441,588	341,129	476,819	313,655	504,098	$4,939,456	$4,304,589	$2,010,076	302,623	[1] 526,141
Authorizations to expend from debt receipts	1,204,201	2,521,627	2,928,639	4,241,476	1,320,687	2,679,216				335,574	[2] 1,176,616
Contract authorizations	27,000	27,000	26,916	46,379	30,000	45,264				36,000	51,264
Revolving and management funds	64,115	107,262	67,372	97,750	79,619	103,790				88,585	113,781
Proposed for later transmission:											
Appropriations						3,070					444,000
Balances of anticipated pay increase supplementals not identified above						1,260	575,000	81,000	54,330		
Subtotal						4,330					444,000
Total, Department of Agriculture	1,625,267	3,097,477	3,364,056	4,862,424	1,743,961	3,336,698	5,514,456	4,385,589	2,064,406	762,782	2,311,802

[1] Excludes amounts no longer available in 1960 of $88,607 thousand.
[2] Excludes amounts no longer available in 1960 of $750 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$441,588	$476,819	$504,098
Authorizations to expend from debt receipts	2,521,627	4,241,476	2,679,216
Contract authorizations	27,000	46,379	45,264
Revolving and management funds	107,262	97,750	103,790
Proposed for later transmission:			
Pay increase supplemental appropriations			1,260
Other: Appropriations			3,070
Total balances brought forward	3,097,477	4,862,424	3,336,698
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	6,026,667	3,615,841	4,188,870
Appropriations to liquidate contract authorizations	(24,336)	(26,000)	(24,000)
Authorizations to expend from debt receipts	448,500	619,000	388,000
Contract authorizations	32,000	30,000	30,000
Reappropriations	44	17,316	
Permanent authorizations:			
Appropriations	288,841	258,081	332,586
Authorizations to expend from debt receipts		3,400	
Total new obligational authority enacted or recommended	6,796,052	4,543,638	4,939,456
Proposed for later transmission:			
Pay increase supplemental appropriations		26,961	
Other Appropriations		1,346,003	575,000
Total new obligational authority proposed for later transmission		1,372,964	575,000
Total new obligational authority	6,796,052	5,916,602	5,514,456
Other amounts available:			
Appropriations available in prior year		−2,076	
Appropriations available from subsequent year	2,076		
Total budget authorizations available	9,895,605	10,776,950	8,851,154
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	4,874,937	7,309,485	4,304,589
Out of balances of prior obligational authority			2,010,076
Total expenditures from obligational authority enacted or recommended	4,874,937	7,309,485	6,314,665
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		25,700	1,260
Other:			
Out of new obligational authority		6,178	81,000
Out of balances of prior obligational authority			53,070
Total expenditure from obligational authority proposed for later transmission		31,878	135,330
Total budget expenditures	4,874,937	7,341,363	6,449,995
Amounts no longer available:			
Unobligated balances expiring and lapsing	154,914	98,889	89,357
Adjustment of balances downward in expired accounts, net	3,330		
Total amounts no longer available	158,244	98,889	89,357
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	476,819	504,098	526,141
Authorizations to expend from debt receipts	4,241,476	2,679,216	1,176,616
Contract authorization	46,379	45,264	51,264
Revolving and management funds	97,750	103,790	113,781
Proposed for later transmission:			
Pay increase supplemental appropriations		1,260	
Other: Appropriations		3,070	444,000
Total balances carried forward at close of year	4,862,424	3,336,698	2,311,802
Obligations incurred, net	$4,904,425	$7,435,732	$6,406,278

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AGRICULTURAL RESEARCH SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production [and utilization], *utilization, and home economics,* 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 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, *home economics,* and related research and services, including administration of payments to State agricultural experiment stations; [$59,044,890] *$64,240,000: Provided, That not to exceed $71,000 may be used for reimbursement to Department of the Army for land and improvements at Orlando, Florida, to be transferred pursuant to the Federal Property and Administrative Services Act of 1949, as amended*: *Provided further,* That the limitations contained herein shall not apply to (*a*) replacement of buildings needed to carry out the Act of April 24, 1948 (21 U. S. C. 113a), *or* (*b*) *not to exceed $639,000 for the construction and alteration of buildings: Provided further, That the Secretary is authorized to acquire by donation lands necessary for the construction thereof*;

Plant and animal disease and pest control: For operations and measures, *not otherwise provided for,* to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine and regulatory activities, as authorized by law, *including expenses pursuant to the Act of February 28, 1947 (21 U. S. C. 114b–d)*; [$47,132,000] *$49,110,000,* of which [$1,000,000] *$1,500,000* 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 to the extent necessary to meet emergency conditions;

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; [$17,326,000] *$21,475,000.*

[For an additional amount for "Salaries and expenses", as follows:]

[Plant and animal disease and pest control, $3,500,000, of which $500,000 shall be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and diseases to the extent necessary to meet emergency conditions;]

[Meat inspection, $1,750,000.]

[Not to exceed $346,000 of the amount made available under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1958, may be used until June 30, 1959, for construction, alteration and repair of buildings and the limitation on building construction or alteration contained therein shall not apply to said amount.] *(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; 72 Stat. 454, 862–864, 1685, 1793; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$128,752,890** Estimate 1960, **$134,825,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Research:			
(*a*) Farm research	$42,652,334	$44,131,000	$44,906,000
(*b*) Utilization research and development	13,270,531	16,067,000	16,067,000
(*c*) Home economics research	2,061,557	2,164,000	2,164,000
(*d*) Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands	962,259	1,103,000	1,103,000
Total, research	58,946,681	63,465,000	64,240,000
2. Plant and animal disease and pest control:			
(*a*) Plant disease and pest control	17,474,496	23,806,400	24,279,400
(*b*) Animal disease and pest control	11,789,003	29,248,600	24,830,600
Total, plant and animal disease and pest control	29,263,499	53,055,000	49,110,000
3. Meat inspection	18,065,791	20,975,000	21,475,000
4. 1959 program obligated in 1958	527,557	−527,557	
Total direct obligations	106,803,528	136,967,443	134,825,000
Obligations from amounts advanced by Commodity Credit Corporation:			
2. Plant and animal disease and pest control: (*b*) Animal disease and pest control, brucellosis eradication	17,865,254		
Total obligations	124,668,782	136,967,443	134,825,000
Financing:			
1959 appropriation available in 1958	−527,557	527,557	
Advanced (repayable to Commodity Credit Corporation) for brucellosis eradication	−17,865,254		
Unobligated balance no longer available	1,094,319		
New obligational authority	107,370,290	137,495,000	134,825,000
New obligational authority:			
Appropriation	$104,709,140	$128,752,890	$134,825,000
Transferred from—			
"Conservation reserve," soil bank programs (72 Stat. 243)	2,648,753		
"State experiment stations" (72 Stat. 243)	12,397		
Appropriation (adjusted)	107,370,290	128,752,890	134,825,000
Proposed supplemental due to pay increases		8,396,110	
Reappropriation		346,000	

The Agricultural Research Service conducts fundamental and applied research relating to the production and utilization of agricultural products, and to home economics, and carries out those control and regulatory programs of the Department 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 deter-

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AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

mine 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 agricultural 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 farm research funds going into basic research has been steadily increased—to about 27% today. This basic research undergirds the other research efforts.

The estimates for 1960 propose increases for research on humane slaughter methods, for additional facilities at the National Arboretum, for a laboratory at Logan, Utah (for research on sugar beets and other crops), and for the transfer from the Department of the Army of real property at Orlando, Fla., used for insect investigations.

(*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. In addition, foreign currencies are available for market development research and are described separately below.

(*c*) *Home economics research.*—Studies are made of human nutrition, household economics, and clothing and housing.

(*d*) *Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands.*—Research under Federal grant funds at each State agricultural experiment station is coordinated with 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 ($351,000 estimated for 1959) and 3% of the grant funds. Research 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. An increase is proposed for 1960 for increased cooperative surveys and regulatory activities to control the soybean cyst nematode. The volume of workload is indicated in the following table:

[In thousands]

	1956 actual	*1957 actual*	*1958 actual*
Inspections at ports of entry:			
Airplanes	97	111	121
Vessels	55	58	59
Interceptions of unauthorized plant material	245	291	311
Export certificates issued	45	49	50
Plant containers certified for export	23,460	25,411	24,682

(*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. The estimates for 1960 propose a decrease of $5 million due to progress and accomplishments in the brucellosis eradication program. This decrease is partially offset by an increase of $600,000 for the control of vesicular exanthema of swine, financed since 1956 through advances from the Commodity Credit Corporation.

The volume of protective activities is indicated by selected examples in the following table:

[In thousands]

	1956 actual	*1957 actual*	*1958 actual*
Animal import inspection:			
All animals	195	346	1,127
Import animal byproducts:			
Wool, bone, glands, etc.—pounds	725,000	672,000	590,600
Hides and skins—do	(1)	(1)	303,000
Sheep inspected for scabies	8,730	11,944	9,501
Scabies-infected sheep found	43	57	57
Cattle inspected for scabies	1,763	2,090	2,139
Scabies-infected cattle found	7	5	1
Inspections and dippings for cattle fever ticks	1,752	1,932	2,832
Cattle tested for tuberculosis	9,220	8,976	8,884
Tuberculosis reactors found	14	14	15
Cattle tested for brucellosis:			
Blood tests	16,754	15,913	16,251
Ring tests	28,362	31,481	30,927
Brucellosis reactors found	367	280	260
Animals inspected at public stockyards	70,540	68,039	62,918
Diseased animals received or found	221	347	352
Supervision of production of veterinary biologics:			
Hog-cholera virus and anti-hog-cholera serum doses	50,441	46,164	40,669
Hog-cholera vaccine—do	32,325	34,563	36,800
Other vaccines—do	2,274,657	2,644,260	2,369,890
Total bacterins—do	87,373	91,223	108,803
Diagnostic agents—do	57,056	66,694	66,791
Other serums—do	13,363	9,281	10,773

[1] Comparable data not available.

3. *Meat inspection.*—Federal meat inspection is required for all meat in interstate commerce and is conducted to assure a clean and 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 proposed increase would provide for needed inspection and for necessary preparation for carrying out the regulatory requirements under the new law relating to humane slaughter methods (72 Stat. 862), approved August 27, 1958.

The volume of inspections and examinations is indicated by examples given in the following table:

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	1956 actual	*1957 actual*	*1958 actual*
Number of establishments covered	1,184	1,244	1,300
Cities in which plants are located	471	502	518
Inspections of live animals	108,547,000	104,352,000	97,604,000
Post mortem inspections	108,540,000	104,345,000	97,599,000
Animals and carcasses condemned	304,000	301,000	264,000
Inspection of processed meat and meat-food products (million pounds)	18,207	17,804	16,792

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	15,441	16,595	16,668
Full-time equivalent of all other positions	2,300	1,347	986
Average number of all employees	15,679	16,076	15,818
Number of employees at end of year	21,349	17,452	17,482
Fee-basis veterinarians at end of year included above	(5,020)		
Average GS grade and salary	7.3 $5,369	7.4 $5,947	7.5 $5,976
Average salary of ungraded positions	$3,796	$3,842	$3,841
Personal service obligations:			
Permanent positions	$72,915,716	$84,747,800	$85,677,500
Positions other than permanent	3,028,761	3,143,000	3,229,300
Fee-basis veterinarians	6,883,415	2,000,000	
Other personal services	1,272,131	1,233,200	1,588,700
Total personal service obligations	84,100,023	91,124,000	90,495,500
Direct obligations:			
01 Personal services	72,654,489	91,124,000	90,495,500
02 Travel	3,061,173	4,267,800	4,277,200
03 Transportation of things	411,880	491,300	495,000
04 Communication services	709,485	1,184,200	1,190,200
05 Rents and utility services	835,066	975,600	972,900
06 Printing and reproduction	613,318	739,400	743,800
07 Other contractual services	5,408,161	11,726,800	10,046,200
Services performed by other agencies	4,051,769	4,247,600	4,370,700
08 Supplies and materials	7,081,133	8,582,699	9,043,500
09 Equipment	4,008,250	4,609,117	4,016,200
10 Lands and structures	327,584	200,000	859,000
11 Grants, subsidies, and contributions	4,021,653	5,370,300	5,448,000
13 Refunds, awards, and indemnities	44,629	47,900	47,900
Brucellosis indemnities	548,000	3,000,000	2,250,000
Payments to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease			20,000
Scrapie indemnities	111,242	150,000	50,000
Tuberculosis indemnities	390,677	443,000	443,000
15 Taxes and assessments	131,161	153,600	156,400
1959 program obligated in 1958	527,557	−527,557	
Subtotal	104,937,227	136,785,759	134,925,500
Deduct quarters and subsistence charges	98,432	100,500	100,500
Total direct obligations	104,838,795	136,685,259	134,825,000
Reimbursable obligations:			
01 Personal services	11,445,534		
02 Travel	795,416		
03 Transportation of things	36,607		
04 Communication services	259,988		
05 Rents and utility services	47,635		
06 Printing and reproduction	65,560		
07 Other contractual services	187,135		
Services performed by other agencies	107,516		
08 Supplies and materials	945,133		
09 Equipment	402,681		
11 Grants, subsidies, and contributions	336,269		
13 Refunds, awards, and indemnities	7,700		
Brucellosis indemnities	3,211,095		
15 Taxes and assessments	16,985		
Total reimbursable obligations	17,865,254		
Total, Agricultural Research Service	122,704,049	136,685,259	134,825,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	8	1	
Full-time equivalent of all other positions		1	
Average number of all employees	2	2	
Number of employees at end of year	4	1	
Average GS grade and salary	7.7 $5,883	7.8 $6,502	
01 Personal services:			
Permanent positions	$14,307	$6,490	
Positions other than permanent	588	2,640	
Other personal services	2,634	55	
Total personal services	17,529	9,185	
02 Travel	54		
04 Communication services	65		
05 Rents and utility services	1,062	500	
06 Printing and reproduction	179	100	
07 Other contractual services	103,084	24,434	
08 Supplies and materials	226	200	
10 Lands and structures	1,841,596	247,280	
11 Grants, subsidies, and contributions	938	425	
15 Taxes and assessments		60	
Total, allocation accounts	1,964,733	282,184	
Total obligations	124,668,782	136,967,443	134,825,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Obligations are distributed as follows:			
Agricultural Research Service	$122,704,049	$136,685,259	$134,825,000
General Services Administration	1,805,952	255,434	
Bureau of Public Roads, Department of Commerce	158,781	26,750	

Informational Foreign Currency Schedule

Foreign currency, Agricultural Trade Development and Assistance Act of 1954, as amended

[All amounts stated in U. S. dollar equivalents]

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Market development research (total obligations)	$371,484	$6,628,516	$10,000,000
Financing:			
Unobligated balance brought forward		−28,516	
Unobligated balance carried forward	28,516		
Authorization to expend foreign currency receipts (7 U. S. C. 1704)	400,000	6,600,000	10,000,000

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 United States agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. Utilization research in both applied and basic fields is carried on by research institutions and organizations in foreign countries by contracts or grants. This research will serve to expand the markets for agricultural commodities. It is estimated that $10 million will be available in fiscal year 1960 for such research.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Full-time equivalent of all other positions		3	8
Average number of all employees		3	8
Number of employees at end of year		6	9
Average salary of ungraded positions		$2,500	$2,500
01 Personal services:			
Positions other than permanent		$7,500	$20,000
Other personal services		10,500	30,000
Total personal services		18,000	50,000
02 Travel		45,000	60,000
03 Transportation of things		10,000	20,000
04 Communication services		5,000	10,000
06 Printing and reproduction		5,000	10,000
07 Other contractual services	$371,484	6,530,000	9,820,000
Services performed by other agencies		12,000	24,000
08 Supplies and materials		1,516	2,000
09 Equipment		2,000	4,000
Total obligations	371,484	6,628,516	10,000,000

Analysis of Expenditures

Obligated balance start of year		$371,484	$5,600,000
Obligations incurred during the year	$371,484	6,628,516	10,000,000
Obligated balance end of year	−371,484	−5,600,000	−12,200,000
Expenditures		1,400,000	3,400,000

Status of Unfunded Allocations

Unfunded balance, start of year		$400,000	
Allocations	$400,000	6,600,000	$10,000,000
Unfunded balance, end of year	−400,000		
Transfers into agency account		7,000,000	10,000,000

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AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

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, as amended by the Act approved August 11, 1955 (7 U. S. C. 361a–361i), including administration by the United States Department of Agriculture, $31,053,708; 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, $31,553,708.

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, 1959.*)

Appropriated 1959, **$31,803,708** Estimate 1960, **$31,803,708**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payments to States, Hawaii, and Puerto Rico:			
(*a*) Payments to agricultural experiment stations	$29,665,127	$30,845,708	$30,845,708
(*b*) Federal administration	656,531	708,000	708,000
2. Penalty mail	250,000	250,000	250,000
Total obligations	30,571,658	31,803,708	31,803,708
Financing:			
Unobligated balance no longer available	19,653		
New obligational authority	30,591,311	31,803,708	31,803,708
New obligational authority:			
Appropriation	$30,603,708	$31,803,708	$31,803,708
Transferred to "Salaries and expenses" (72 Stat. 243)	−12,397		
Appropriation (adjusted)	30,591,311	31,803,708	31,803,708

Funds are allocated to agricultural experiment stations of the land-grant colleges in the States, Hawaii, 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 1960 is:

Distributed according to statutory formula	$24,445,708
Regional research funds	5,900,000
Payments authorized for marketing projects	500,000
Total	30,845,708

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	74	77	77
Full-time equivalent of all other positions	2	3	3
Average number of all employees	70	76	76
Number of employees at end of year	81	81	81
Average GS grade and salary	7.3 $5,369	7.4 $5,947	7.5 $5,976
01 Personal services:			
Permanent positions	$487,178	$521,000	$521,000
Positions other than permanent	7,734	17,000	15,000
Other personal services	1,908	2,000	4,000
Total personal services	496,820	540,000	540,000
02 Travel	55,460	60,000	60,000
03 Transportation of things	100	100	100
04 Communication services	251,002	251,000	251,000
05 Rents and utility services	2,998	3,000	3,000
06 Printing and reproduction	4,893	5,000	5,000
07 Other contractual services	5,493	3,000	3,000
Services performed by other agencies	50,756	55,000	55,000
08 Supplies and materials	3,759	3,200	3,200
09 Equipment	4,998	5,000	5,000
11 Grants, subsidies, and contributions	29,578	32,000	32,000
Payments to agricultural experiment stations	29,665,127	30,845,708	30,845,708
13 Refunds, awards, and indemnities	300	300	300
15 Taxes and assessments	374	400	400
Total obligations	30,571,658	31,803,708	31,803,708

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". (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Eradication activities (advanced from Commodity Credit Corporation) (total obligations)	$1,258,044	$1,077,000	
Financing:			
Advances (repayable to Commodity Credit Corporation)	−1,243,408	−1,047,375	
Unobligated balance no longer available	29,625		
Reappropriation (new obligational authority)	44,261	29,625	

Eradication activities.—Funds for carrying out the program for the eradication of vesicular exanthema of swine have in the past been transferred from the Commodity Credit Corporation. Corporate funds so used are subsequently repaid from specific appropriations for that purpose. In 1960, it is proposed to include funds for this activity in the appropriation Salaries and expenses, Agricultural Research Service, plant and animal disease and pest control.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	151	96	
Average number of all employees	136	92	
Number of employees at end of year	105	90	
Average GS grade and salary	7.3 $5,369	7.4 $5,947	
01 Personal services:			
Permanent positions	$636,929	$418,899	
Other personal services	3,657	3,060	
Total personal services	640,586	421,959	
02 Travel	126,830	100,000	
03 Transportation of things	2,728	1,800	
04 Communication services	5,316	4,500	
05 Rents and utility services	1,078	600	
06 Printing and reproduction	2,637	2,000	
07 Other contractual services	13,480	10,000	
Services performed by other agencies	362,758	440,000	
08 Supplies and materials	45,403	49,941	
09 Equipment	20,882	15,000	
11 Grants, subsidies, and contributions	34,262	30,000	
15 Taxes and assessments	2,084	1,200	
Total obligations	1,258,044	1,077,000	

Reimbursements to Commodity Credit Corporation for Advances for Animal Disease Eradication Activities

Note.—This appropriation is shown under Special activities and is reflected in the schedules of the Commodity Credit Corporation fund.

Animal Disease Laboratory Facilities

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Facility for animal disease research and control (total obligations)	$113,090	$14,683,472	$968,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$15,764,562	−$15,651,472	−$968,000
Unobligated balance carried forward	15,651,472	968,000	
Appropriation (new obligational authority)			

In previous years $16,500,000 had been provided for establishment of animal disease research and control laboratory facilities. Construction of the facilities at Ames, Iowa, was started in August 1958. Their completion is expected late in 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions	8	2	
Average number of all employees	7	2	
Number of employees at end of year	8	2	
Average GS grade and salary	7.3 $5,369	7.4 $5,947	
01 Personal services:			
Permanent positions	$55,916	$20,620	
Other personal services	1,580	80	
Total personal services	57,496	20,700	
02 Travel	1,792	4,362	
07 Other contractual services		70	
Services performed for other agencies	39,090		
09 Equipment			$768,000
11 Grants, subsidies, and contributions	3,234	1,340	
15 Taxes and assessments	104		
Subtotal	101,716	26,472	
Deduct quarters and subsistence charges	69		
Total, Agricultural Research Service	101,647	26,472	768,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
03 Transportation of things	243		
06 Printing and reproduction		20,000	2,000
07 Other contractual services	11,200	205,000	130,000
10 Lands and structures		14,432,000	68,000
Total, General Services Administration	11,443	14,657,000	200,000
Total obligations	113,090	14,683,472	968,000

Research Facilities

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Facilities for research on foot-and-mouth and other diseases of animals (total obligations)	$128,963	$148,127	
Financing:			
Obligated balance brought forward	−277,090	−148,127	
Unobligated balance carried forward	148,127		
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 1959 will complete this installation.

Object Classification

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL RESEARCH SERVICE			
08 Supplies and materials	$19,718		
10 Lands and structures	98,912	$148,127	
Total, Agricultural Research Service	118,630	148,127	

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO RIVERS AND HARBORS AND FLOOD CONTROL, ARMY			
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	13.0 $9,205		
01 Personal services: Permanent positions	$9,014		
02 Travel	124		
04 Communication services	43		
07 Other contractual services	589		
11 Grants, subsidies, and contributions	563		
Total, rivers and harbors and flood control, Army	10,333		
Total obligations	128,963	$148,127	

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, test, and evaluation, Army."
"Army industrial fund."
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
"Foreign currency, Agricultural Trade Development and Assistance Act of 1954."
"Mutual security," funds appropriated to the President.
"Translation of publications and scientific cooperation," funds appropriated to the President.

Permanent authorizations:

Alterations and Improvements, Animal Quarantine Station, Clifton, New Jersey

(Special fund)

Appropriated (est.) 1959, **$30,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Alterations and improvements (total obligations)		$30,000	
Financing:			
Appropriation (new obligational authority)		30,000	

The act of August 20, 1958 (72 Stat. 680) authorized the Department to convey to the city of Clifton, N. J., about 7 acres of the land of the United States animal quarantine station located there. Conveyance is conditional upon payment of 75% of the appraised fair market value and $30,000 to be deposited in a special account for making alterations of buildings, facilities, and improvements on the remaining land at the station.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services		$30,000	

Intragovernmental funds:

Working Capital Fund, Agricultural Research Center

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 $208,077 as of June 30, 1958.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$62,826	$50,000	$50,000
Purchase of material and supplies	1,059,398	1,007,835	1,000,000
Other expenses	2,256,787	2,260,000	2,250,000
Increase in selected working capital		2,500	2,500
Total gross expenditures	3,379,011	3,320,335	3,302,500

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AGRICULTURAL RESEARCH SERVICE—Continued

Intragovernmental funds—Continued

Working Capital Fund, Agricultural Research Center—Continued

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Sales of goods and services	$3,165,899	$3,287,700	$3,287,700
Rental income from quarters	11,494	12,300	12,300
Proceeds from sale of equipment	2,328	2,500	2,500
Decrease in selected working capital	217,125		
Total receipts from operations	3,396,846	3,302,500	3,302,500
Budget expenditures	−17,835	17,835	

Revenue, Expense, and Retained Earnings

Revenue	$3,177,393	$3,300,000	$3,300,000
Expense	3,329,674	3,290,000	3,280,000
Net operating income or loss (−)	−152,281	10,000	20,000
Nonoperating income:			
Proceeds from sale of equipment	2,328	2,500	2,500
Net book value of assets sold (−)	−1,510	−2,000	−2,000
Net nonoperating income	818	500	500
Net income or loss (−) for the year	−151,463	10,500	20,500
Retained earnings, beginning of year	167,264	15,801	26,301
Retained earnings, end of year	15,801	26,301	46,801

Financial Condition

Assets:			
Cash with Treasury	$304,059	$286,224	$286,224
Accounts receivable	357,545	360,000	360,000
Advances	27		
Materials and supplies	97,952	105,787	105,787
Equipment, net	183,282	201,282	219,282
Total assets	942,865	953,293	971,293
Liabilities:			
Current	418,987	418,915	416,415
Government investment:			
Non-interest-bearing capital:			
Start of year	503,419	508,077	508,077
Donated capital during the year	4,658		
End of year	508,077	508,077	508,077
Retained earnings	15,801	26,301	46,801
Total Government investment	523,878	534,378	554,878

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $54,127; 1958, $118,029; 1959, $100,000; and 1960, $100,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	339	342	342
Full-time equivalent of all other positions	53	53	53
Average number of all employees	382	383	381
Number of employees at end of year	439	442	442
Average GS grade and salary	7.3 $5,369	7.4 $5,947	7.5 $5,976
Average salary of ungraded positions	$3,796	$3,842	$3,841
01 Personal services:			
Permanent positions	$1,430,455	$1,521,500	$1,514,500
Positions other than permanent	233,959	235,000	235,000
Other personal services	51,076	55,000	62,000
Excess of annual leave earned over leave taken	19,497		
Total personal services	1,734,987	1,811,500	1,811,500
02 Travel	484	500	500
03 Transportation of things	6,365	6,000	6,000
04 Communication services	118,644	120,000	120,000
05 Rents and utility services	154,738	155,000	155,000
06 Printing and reproduction	918	2,000	2,000
07 Other contractual services	144,784	60,779	51,000
08 Supplies and materials	1,118,810	990,000	1,000,000
09 Equipment	62,826	50,000	50,000
11 Grants, subsidies, and contributions	87,835	97,500	97,500
13 Refunds, awards, and indemnities	1,600		
15 Taxes and assessments	6,432	6,500	6,500
Total obligations	3,438,423	3,299,779	3,300,000

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research	$908,417	$949,800	$949,800
2. Plant and animal disease and pest control	708,733	706,700	376,700
3. Meat inspection	6,149,084	6,821,000	6,821,000
4. Miscellaneous services to other accounts	156,845	147,400	147,400
Total obligations	7,923,079	8,624,900	8,294,900
Financing:			
Advances and reimbursements from—			
Other accounts	2,620,729	2,699,704	2,369,704
Non-Federal sources	5,302,350	5,925,196	5,925,196
Total financing	7,923,079	8,624,900	8,294,900

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	58	63	63
Full-time equivalent of all other positions	6	4	4
Average number of all employees	543	542	487
Number of employees at end of year	68	62	62
Average GS grade and salary	7.3 $5,369	7.4 $5,947	7.5 $5,976
01 Personal services:			
Permanent positions	$3,029,402	$3,252,728	$2,922,466
Positions other than permanent	28,783	18,760	18,760
Other personal services	4,138,261	4,627,337	4,627,599
Total personal services	7,196,446	7,898,825	7,568,825
02 Travel	58,245	57,927	57,927
03 Transportation of things	4,450	3,500	3,500
04 Communication services	10,714	11,700	11,700
05 Rents and utility services	21,091	20,100	20,100
06 Printing and reproduction	7,814	5,700	5,700
07 Other contractual services	66,749	53,163	53,163
Services performed by other agencies	39,630	28,800	28,800
08 Supplies and materials	237,862	252,175	252,275
09 Equipment	110,692	108,975	108,975
11 Grants, subsidies, and contributions	167,642	182,680	182,580
15 Taxes and assessments	1,744	1,355	1,355
Total obligations	7,923,079	8,624,900	8,294,900

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 (7 U. S. C. 347a), $52,220,000; 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, $53,715,000: *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, [$5,479,375] *$5,674,375*.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, [$1,868,480] *$2,491,307*.

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 (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] *$2,258,795*. (*39 U. S. C. 321i, 321n, 321p–q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Appropriated 1959, **$63,159,395** Estimate 1960, **$64,139,477**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payments to States, Hawaii, and Puerto Rico:			
(a) Payments for cooperative agricultural extension work under Smith-Lever Act	$48,694,686	$52,220,000	$52,220,000
(b) Payments and contracts under the Agricultural Marketing Act	1,447,776	1,495,000	1,495,000
2. Retirement costs for extension agents	5,082,101	5,479,375	5,674,375
3. Penalty mail	2,164,000	1,868,480	2,491,307
4. Federal Extension Service	2,157,323	2,258,795	2,258,795
Total obligations	59,545,886	63,321,650	64,139,477
Financing:			
Unobligated balance no longer available	689,654		
New obligational authority	60,235,540	63,321,650	64,139,477
New obligational authority:			
Appropriation	$60,235,540	$63,159,395	$64,139,477
Proposed supplemental due to pay increases		162,255	

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, 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, and Puerto Rico.*—Funds appropriated under the Smith-Lever Act for payment to States, Hawaii, 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 to the States, Hawaii, and Puerto Rico 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.

The scope of extension activities is reflected in the following selected statistics:

[In thousands]	*1955*	*1956*	*1957*
Number of families assisted in adopting improved agricultural practices	6,111	6,406	6,819
Number of families assisted in adopting improved homemaking practices	6,134	6,539	6,873
Number of 4–H Club members	2,156	2,164	2,201
Number of voluntary local leaders	1,235	1,267	1,262
Number of bulletins distributed	27,887	29,200	30,894

2. *Retirement costs for extension agents.*—Cooperative extension agents are joint employees of the United States Department of Agriculture and the cooperating land-grant institutions. The employer's contribution to the Federal retirement fund, to match contributions of these agents, is provided by this appropriation.

3. *Penalty mail.*—This appropriation covers the cost of penalty mailings for State extension directors and cooperative extension agents in the States. The amount proposed is required to meet the adjusted rates authorized by the Postal Rate Increase Act, 1958 (72 Stat. 138), and will also require the submission of a supplemental appropriation for 1959 under Proposed for later transmission.

4. *Federal Extension Service.*—The Federal Extension Service provides leadership, counsel, and assistance to the States, Hawaii, and Puerto Rico in developing extension programs, improved teaching methods, efficient use of available resources, evaluation of programs, in-service training for extension personnel and providing administrative services.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	245	248	242
	Full-time equivalent of all other positions	3	1	1
	Average number of all employees	229	239	237
	Number of employees at end of year	242	240	240
	Average GS grade and salary	8.6 $6,559	8.6 $7,211	8.6 $7,294
01	Personal services:			
	Permanent positions	$1,573,808	$1,729,331	$1,722,733
	Positions other than permanent	9,213	782	782
	Other personal services	15,312	12,787	19,385
	Total personal services	1,598,333	1,742,900	1,742,900
02	Travel	230,107	218,100	218,100
03	Transportation of things	19,442	26,900	26,900
04	Communication services	26,994	26,600	26,600
	Penalty mail for cooperative extension agents and State extension directors	2,164,000	1,868,480	2,491,307
05	Rents and utility services	848	1,700	1,700
06	Printing and reproduction	75,068	65,000	65,000
07	Other contractual services	258,388	222,935	111,435
	Services performed by other agencies	35,937	27,500	27,500
08	Supplies and materials	18,876	13,600	13,600
09	Equipment	41,862	11,000	11,000
11	Grants, subsidies, and contributions	5,179,831	5,591,935	5,786,935
	Payments to States, Hawaii, and Puerto Rico	49,894,516	53,503,500	53,615,000
13	Refunds, awards, and indemnities	975	600	600
15	Taxes and assessments	709	900	900
	Total obligations	59,545,886	63,321,650	64,139,477

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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Cooperation with the Bureau of Indian Affairs on extension program with Indians	$32,802	$34,290	$34,290
2. Technical assistance to agricultural stabilization and conservation committees in Alaska	7,970	13,292	13,292
3. Miscellaneous services to other accounts	10,963		
Total obligations	51,735	47,582	47,582
Financing:			
Advances and reimbursements from—			
Other accounts	51,556	47,582	47,582
Non-Federal sources (5 U. S. C. 61 (b))	179		
Total financing	51,735	47,582	47,582

Object Classification

	Total number of permanent positions	5	3	3
	Average number of all employees	4	3	3
	Number of employees at end of year	3	3	3
	Average GS grade and salary	9.8 $7,325	10.7 $9,062	10.7 $9,214
01	Personal services:			
	Permanent positions	$34,229	$27,185	$27,630
	Other personal services	95	105	214
	Total personal services	34,324	27,290	27,844
02	Travel	5,710	5,134	4,543

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EXTENSION SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
04	Communication services	$249		
06	Printing and reproduction	61		
07	Other contractual services	109	$92	$93
	Services performed by other agencies	915		
08	Supplies and materials	121		
09	Equipment	147		
11	Grants, subsidies, and contributions	10,099	15,066	15,102
	Total obligations	51,735	47,582	47,582

Proposed for later transmission:

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Penalty mail (total obligations)		$622,827	
Financing:			
Proposed supplemental appropriation		622,827	

Under existing legislation, 1959.—A proposed supplemental appropriation in the amount of $622,827 is anticipated to cover additional costs for increased postage rates pursuant to the Postal Rate Increase Act, 1958 (72 Stat. 138).

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] *$620,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$578,000** Estimate 1960, **$620,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research and technical assistance for farmers' cooperatives (total program costs [1])	$592,149	$620,000	$620,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−3,463	−2,574	
Total program (obligations)	588,686	617,426	620,000
Financing:			
1959 appropriation available in 1958	−2,574	2,574	
Unobligated balance no longer available	2,388		
New obligational authority	588,500	620,000	620,000
New obligational authority:			
Appropriation	$578,000	$578,000	$620,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	10,500		
Appropriation (adjusted)	588,500	578,000	620,000
Proposed supplemental due to pay increases		42,000	

[1] Includes capital outlay as follows: 1958, $10,604; 1959, $5,400; 1960, $5,400.

1. 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.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Equipment not placed in use	-------	$2,470	--------	--------
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$15,334	11,851	$11,747	$11,747
Total selected resources at end of year	15,334	14,321	11,747	11,747
Selected resources at start of year (−)		−15,334	−14,321	−11,747
Adjustment of selected resources reported at start of year		−2,450	--------	--------
Costs financed from obligations of other years, net (−)		−3,463	−2,574	--------

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions		76		75		73
	Average number of all employees		67		67		67
	Number of employees at end of year		69		67		67
	Average GS grade and salary	8.4	$6,130	8.5	$6,799	8.6	$6,956
01	Personal services:						
	Permanent positions		$427,267		$463,610		$461,820
	Other personal services		2,830		1,790		3,580
	Total personal services		430,097		465,400		465,400
02	Travel		42,123		43,400		43,400
03	Transportation of things		1,375		1,300		1,300
04	Communication services		12,273		15,100		15,100
06	Printing and reproduction		44,231		40,000		40,000
07	Other contractual services		4,554		4,600		4,600
	Services performed by other agencies		10,207		10,100		10,100
08	Supplies and materials		4,003		3,800		3,800
09	Equipment		10,432		5,600		5,600
11	Grants, subsidies, and contributions		26,492		30,200		30,200
13	Refunds, awards, and indemnities		242		400		400
15	Taxes and assessments		83		100		100
	1959 program obligated in 1958		2,574		−2,574		
	Total obligations		588,686		617,426		620,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations "Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research and technical assistance for farmers' cooperatives	$2,776		
2. Marketing research activities (Agricultural Marketing Service)	386,142	$407,800	$407,800
Total obligations	388,918	407,800	407,800
Financing:			
Advances and reimbursements from—			
Other accounts	389,789	407,800	407,800
Non-Federal sources (5 U.S.C. 61 (b))	37		
Unobligated balance no longer available	−908		
Total financing	388,918	407,800	407,800

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions		51		50		50
	Average number of all employees		45		45		45
	Number of employees at end of year		47		45		45
	Average GS grade and salary	8.2	$5,738	8.3	$6,512	8.3	$6,595
01	Personal services:						
	Permanent positions		$282,975		$298,049		$296,898
	Other personal services		1,698		1,151		2,302
	Total personal services		284,673		299,200		299,200
02	Travel		30,124		30,600		30,600
03	Transportation of things		526		900		900

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Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
04	Communication services	$7,948	$10,100	$10,100
06	Printing and reproduction	13,709	14,800	14,800
07	Other contractual services	25,580	26,000	26,000
	Services performed by other agencies	5,866	4,000	4,000
08	Supplies and materials	2,518	2,500	2,500
09	Equipment	266	200	200
11	Grants, subsidies, and contributions	17,490	19,200	19,200
13	Refunds, awards, and indemnities	168	200	200
15	Taxes and assessments	50	100	100
	Total obligations	388,918	407,800	407,800

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 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; [$74,780,000] *$81,072,000*: *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; 16 U. S. C. 590q–1; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$74,780,000** Estimate 1960, **$81,072,000**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Assistance to soil conservation districts and other cooperators	$74,726,155	$81,108,000	$81,072,000
2. 1959 program obligated in 1958	846,814	−846,814	
Total obligations	75,572,969	80,261,186	81,072,000
Financing:			
1959 appropriation available in 1958	−846,814	846,814	
Unobligated balance no longer available	318,845		
New obligational authority	75,045,000	81,108,000	81,072,000
New obligational authority:			
Appropriation	$72,545,000	$74,780,000	$81,072,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	2,500,000		
Appropriation (adjusted)	75,045,000	74,780,000	81,072,000
Proposed supplemental due to pay increases		6,328,000	

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, 1958*	*1958 actual*	*1959 estimate*	*1960 estimate*
Soil surveys	575.1	41.1	42.3	43.3
Range surveys	78.9	12.9	13.0	13.2

(*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

	1958 actual	*1959 estimate*	*1960 estimate*
Number of soil conservation districts	2,806	2,836	2,861
Number of soil conservation district cooperators	1,794,411	1,852,000	1,906,000
Soil conservation district cooperators having farm and ranch conservation plans	1,218,433	1,272,000	1,324,000
Number of cooperators applying conservation practices	787,340	800,000	850,000

(*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 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

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	13,432	13,521	13,521
	Full-time equivalent of all other positions	624	658	485
	Average number of all employees	11,341	11,590	11,438
	Number of employees at end of year	14,546	14,738	14,590
	Average GS grade and salary	6.4 $4,877	6.7 $5,492	6.8 $5,518
01	Personal services:			
	Permanent positions	$56,237,917	$61,965,000	$62,300,000
	Positions other than permanent	2,000,915	2,185,000	1,610,000
	Other personal services	478,686	510,000	740,000
	Total personal services	58,717,518	64,660,000	64,650,000
02	Travel	2,343,153	2,375,000	2,375,000
03	Transportation of things	387,628	395,000	395,000

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SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

CONSERVATION OPERATIONS—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
04 Communication services	$833,833	$850,000	$850,000
05 Rents and utility services	1,715,308	1,740,000	1,710,000
06 Printing and reproduction	437,233	490,000	490,000
07 Other contractual services	887,746	890,000	900,000
Services performed by other agencies	92,566	110,000	110,000
08 Supplies and materials	3,135,929	3,130,000	3,140,000
09 Equipment	2,452,084	2,255,000	2,265,000
10 Lands and structures	14,411	1,000	
11 Grants, subsidies, and contributions	3,585,771	4,077,000	4,063,000
13 Refunds, awards, and indemnities	89,742	95,000	95,000
15 Taxes and assessments	38,697	46,000	35,000
16 Investments and loans	10		
1959 program obligated in 1958	846,814	−846,814	
Subtotal	75,578,443	80,267,186	81,078,000
Deduct quarters and subsistence charges	5,474	6,000	6,000
Total obligations	75,572,969	80,261,186	81,072,000

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] *$20,000,000*, 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, 1959.)*

Appropriated 1959, **$25,500,000** Estimate 1960, **$20,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Investigations and planning	$4,545,854	$4,700,000	$4,300,000
2. Installation of works of improvement	10,534,329	25,595,833	23,700,000
3. Loans and related expense	11,405	1,000,000	1,000,000
4. Surveys and investigations of water resources programs	762,361	1,000,000	1,000,000
Total obligations	15,853,949	32,295,833	30,000,000
Financing:			
Unobligated balance brought forward	−7,149,782	−16,795,833	−10,000,000
Unobligated balance carried forward	16,795,833	10,000,000	
Appropriation (new obligational authority)	25,500,000	25,500,000	20,000,000

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 with other agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated programs.

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	*1956 actual*	*1957 actual*	*1958 actual*	*1959 estimate*	*1960 estimate*
Applications for watershed projects:					
Received current year	194	165	175	225	225
Cumulative total	547	712	887	1,112	1,337
Watersheds approved for planning	172	268	364	454	520
Watershed work plans prepared and pending final approval	19	49	46	46	56
Watershed work plans:					
(a) Approved for advance engineering and technical assistance	13	23	53	93	113
(b) Approved for construction of structural measures	---	19	45	100	132
(c) Planned treatment installed	---	---	2	7	15
Planning suspended	10	39	71	81	87
Planning in process	130	138	147	127	117
Balance:					
To be planned	175	164	223	343	487
Not now suitable for development of plans	200	280	300	315	330

2. *Installation of works of improvement.*—Assistance is provided to local organizations to install improvement measures for flood prevention and water management in accordance with approved watershed work plans.

Public Law 566 watersheds.—After local sponsoring organizations have developed watershed work plans with the Department's assistance and the projects have been approved as suitable for Federal participation (projects involving an estimated Federal contribution in excess of $250,000, or any single structure having a capacity in excess of 2,500 acre-feet require congressional approval), technical services and cost-sharing assistance are provided for specified works of improvement. Detailed construction plans and specifications are prepared. On other than Federal lands the local sponsoring organizations contract for the construction work; provide land easements and rights-of-way; operate and maintain the projects; and in the case of multiple-purpose structures bear a share of the construction costs. The initiation of installation of works of improvement in new projects requires administrative approval in two stages: (1) approval for advance engineering and other technical assistance only and (2) approval for construction of structural measures.

The advance engineering and technical assistance stage includes surveys, investigations, and preparation of detailed designs, specifications, and engineering cost estimates for construction of structural works. It also includes precise delineation of required easement areas. Technical and other assistance for planning and applying land treatment measures for watershed protection and flood prevention is provided in some cases.

The project-construction stage begins with the execution of the first project agreement for construction of works of improvement, after required easements are obtained or are assured and the local organization has met all other requirements. Under a project agreement the local sponsoring organization agrees to construct a segment of the project which may consist of an individual or an interrelated group of structures. The agreement obligates the Government to furnish its share of the construction cost. Funds are advanced to the local organization as segments of work are completed. Engineering and other services are provided for the preparation of contracts and specifications, awarding of contracts, and supervision and inspection of construction. Technical assistance with land treatment measures is continued.

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The following table shows the status of Public Law 566 projects with respect to approvals for advance technical assistance and construction:

[Dollars in thousands]

Explanation	1958 actual Number	1958 actual Amount	1959 estimate Number	1959 estimate Amount	1960 estimate Number	1960 estimate Amount
Projects approved for advance engineering and technical assistance (number and estimated cost of completion, unless otherwise indicated):						
Projects underway at beginning of year	23	$10,289	53	$27,095	93	$67,637
Projects initiated during the year	58	28,564	100	92,867	60	34,800
Subtotal	81	38,853	153	119,962	153	102,437
Deduct projects approved for construction during the year	28	11,053	60	50,925	40	32,750
Net projects approved	53	27,800	93	69,037	113	69,687
Deduct amounts obligated during the year for advance engineering and technical assistance	..	705	--	1,400	--	1,700
Total, projects receiving only advance engineering and technical assistance at end of year	53	27,095	93	67,637	113	67,987
Projects approved for construction (number and estimated cost of completion, unless otherwise indicated):						
Projects underway at beginning of year	19	7,885	45	13,419	100	46,544
Projects initiated during the year	28	11,053	60	50,925	40	32,750
Total, projects under construction during year	47	18,938	105	64,344	140	79,294
Deduct amounts obligated during year for works of improvement on:						
(a) Projects approved for construction during the year	---	3,527	---	9,900	---	3,200
(b) Projects completed during the year	2	147	5	168	8	160
(c) Continuing prior year projects	---	1,845	---	7,732	---	14,140
Total, projects under construction at end of year	45	13,419	100	46,544	132	61,794
Grand total: Projects in progress at end of year	98	40,514	193	114,181	245	129,781

The 1959 budget (as amended by H. Doc. 351, 85th Cong.) contemplated approval of about 100 new projects during 1959. Current estimates are that only 60 projects will be ready for construction in 1959. Unobligated balances will be available to begin construction in 1960 of the 40 projects delayed from 1959. No funds are recommended for starting additional projects in 1960.

Pilot demonstration watersheds.—The following table shows the status of the pilot watershed projects which were initiated in 1954 to demonstrate and evaluate the effects of works of improvement installed in small watersheds for watershed protection and flood prevention. The budget estimate reflects reductions due to completion of some pilot projects.

[Dollars in thousands]

Explanation	1958 actual Number	1958 actual Amount	1959 estimate Number	1959 estimate Amount	1960 estimate Number	1960 estimate Amount
Active projects at beginning of year and estimated completion cost	54	$19,560	32	$15,152	21	$8,756
Deduct discontinued projects and estimated completion cost	1	211	--	-------	--	------
Subtotal	53	19,349	32	15,152	21	8,756
Deduct amounts obligated during the year for:						
(a) Projects completed during the year	21	614	11	1,309	9	1,450
(b) Other projects	--	3,583	--	5,087	--	3,050
Subtotal	21	4,197	11	6,396	9	4,500
Total, projects in progress at end of year and estimated completion cost	32	15,152	21	8,756	12	4,256

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 Potomac River Basin, the Mississippi River area, the Delaware River area, and the Cape Fear watershed in North Carolina, and with 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 area in cooperation with the Kansas State water board and of the Yazoo-Mississippi flood plain area with the Mississippi State board of water commissioners.

Object Classification

	1958 actual	1959 estimate	1960 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	1,085	1,280	1,350
Full-time equivalent of all other positions	123	138	145
Average number of all employees	1,166	1,244	1,286
Number of employees at end of year	1,320	1,406	1,490
Average GS grade and salary	6.4 $4,877	6.7 $5,492	6.8 $5,518
01 Personal services:			
Permanent positions	$5,866,927	$6,590,000	$6,870,000
Positions other than permanent	386,413	455,000	480,000
Other personal services	95,346	105,000	125,000
Total personal services	6,348,686	7,150,000	7,475,000
02 Travel	629,046	680,000	685,000
03 Transportation of things	46,061	55,000	60,000
04 Communication services	78,480	90,000	90,000
05 Rents and utility services	108,385	115,000	115,000
06 Printing and reproduction	96,298	110,000	110,000
07 Other contractual services	2,243,040	6,500,000	4,600,000
Services performed by other agencies	156,114	325,000	325,000
08 Supplies and materials	303,742	335,000	350,000
09 Equipment	462,976	550,000	575,000
11 Grants, subsidies, and contributions	4,224,725	14,039,551	13,406,773
13 Refunds, awards, and indemnities	7,147	9,000	9,000
15 Taxes and assessments	8,663	10,000	11,000
Total, Soil Conservation Service	14,713,363	29,968,551	27,811,773
ALLOTMENT ACCOUNTS			
Total number of permanent positions	84	81	84
Full-time equivalent of all other positions	30	37	37
Average number of all employees	114	116	119
Number of employees at end of year	104	111	114
Average GS grade and salary	6.9 $5,196	7.1 $5,840	7.1 $5,800
Average salary of ungraded positions	$4,337	$4,569	$4,569
01 Personal services:			
Permanent positions	$493,549	$503,567	$521,075
Positions other than permanent	135,532	165,510	164,266
Other personal services	2,957	3,331	5,561
Total personal services	632,038	672,408	690,902
02 Travel	65,500	101,345	98,934
03 Transportation of things	4,793	5,300	5,300
04 Communication services	7,153	7,600	7,600
05 Rents and utility services	6,020	6,000	6,000
06 Printing and reproduction	715	850	850
07 Other contractual services	132,672	134,557	120,910
Services performed by other agencies	54,132	63,959	63,717
08 Supplies and materials	71,336	66,418	57,969
09 Equipment	26,405	26,700	26,700
10 Lands and structures	5,657	6,000	6,000
11 Grants, subsidies, and contributions	132,383	259,770	151,970
15 Taxes and assessments	3,298	2,900	2,900
16 Investments and loans		975,000	950,000
Subtotal	1,142,102	2,328,807	2,189,752
Deduct quarters and subsistence charges	1,516	1,525	1,525
Total, allotment accounts	1,140,586	2,327,282	2,188,227
Total obligations	15,853,949	32,295,833	30,000,000
Obligations are distributed as follows:			
Soil Conservation Service	$14,713,363	$29,968,551	$27,811,773
Forest Service	759,030	914,404	805,000
Agricultural Research Service	245,299	301,600	294,600
Farmers' Home Administration	11,405	1,000,000	1,000,000
Department of the Interior	124,852	111,278	88,627

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SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

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, [$18,000,000,] *$15,000,000*, 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, 1959.)*

Appropriated 1959, **$18,000,000** Estimate 1960, **$15,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Works of improvement (total obligations)	$13,426,335	$19,376,362	$15,000,000
Financing:			
Unobligated balance brought forward	−1,582,697	−1,376,362	
Unobligated balance carried forward	1,376,362		
Appropriation (new obligational authority)	13,220,000	18,000,000	15,000,000

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. On non-Federal lands, local organizations provide lands, easements, and rights-of-way; operate and maintain the projects; and, in some cases, bear a share of construction costs. Work is generally done by local contractors. Land-treatment measures which contribute to flood prevention are installed by landowners with technical and other assistance furnished by the Department.

Object Classification

	1958 actual	1959 estimate	1960 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	770	847	847
Full-time equivalent of all other positions	150	151	151
Average number of all employees	821	937	918
Number of employees at end of year	978	1,077	1,075
Average GS grade and salary	6.4 $4,877	6.7 $5,492	6.8 $5,518
01 Personal services:			
Permanent positions	$3,288,702	$4,053,000	$3,960,000
Positions other than permanent	436,721	475,000	475,000
Other personal services	78,104	102,000	115,000
Total personal services	3,803,527	4,630,000	4,550,000
02 Travel	175,849	195,000	190,000
03 Transportation of things	23,104	20,000	20,000
04 Communication services	48,498	50,000	50,000
05 Rents and utility services	65,781	70,000	70,000
06 Printing and reproduction	28,319	34,000	32,000
07 Other contractual services	5,701,585	11,012,518	7,192,000
Services performed by other agencies	135,362	131,000	125,000
08 Supplies and materials	532,026	600,000	600,000
09 Equipment	405,996	150,000	150,000
11 Grants, subsidies, and contributions	625,445	264,900	260,500
13 Refunds, awards, and indemnities	3,019	36,000	15,000
15 Taxes and assessments	9,189	10,300	10,500
Total, Soil Conservation Service	11,557,491	17,203,718	13,265,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOTMENT TO FOREST SERVICE			
Total number of permanent positions	115	136	134
Full-time equivalent of all other positions	173	195	174
Average number of all employees	268	305	282
Number of employees at end of year	202	225	208
Average GS grade and salary	6.6 $5,008	6.7 $5,589	6.8 $5,589
Average salary of ungraded positions	$4,337	$4,569	$4,569
01 Personal services:			
Permanent positions	$451,861	$550,774	$539,140
Positions other than permanent	466,303	572,039	476,090
Other personal services	11,707	11,192	11,192
Total personal services	929,871	1,134,005	1,026,422
02 Travel	20,430	24,200	20,200
03 Transportation of things	4,201	6,100	5,000
04 Communication services	10,176	11,300	10,000
05 Rents and utility services	13,852	16,850	16,850
06 Printing and reproduction	118	25	25
07 Other contractual services	322,783	345,300	229,801
Services performed by other agencies	328,703	337,900	204,400
08 Supplies and materials	155,854	181,764	133,702
09 Equipment	38,249	41,000	30,000
11 Grants, subsidies, and contributions	57,044	86,400	70,600
15 Taxes and assessments	15,838	18,300	16,300
Subtotal	1,897,119	2,203,144	1,763,300
Deduct quarters and subsistence charges	−28,275	−30,500	−28,300
Total, Forest Service	1,868,844	2,172,644	1,735,000
Total obligations	13,426,335	19,376,362	15,000,000

Water Conservation and Utilization Projects

For expenses necessary to carry out the functions of the Department under the Acts of 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, [$335,000] *$75,000*, 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, 1959.)*

Appropriated 1959, **$335,000** Estimate 1960, **$75,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Development of land for irrigation (total obligations)	$348,620	$352,185	$75,000
Financing:			
Unobligated balance brought forward	−15,805	−17,185	
Unobligated balance carried forward	17,185		
Appropriation (new obligational authority)	350,000	335,000	75,000

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 newly developed irrigated farms on this project was made in December 1956. Completion of the project and sale of the remaining farm units is scheduled by 1962.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	22	21	8
Full-time equivalent of all other positions	23	21	5
Average number of all employees	46	41	12
Number of employees at end of year	62	46	15
Average GS grade and salary	6.4 $4,877	6.7 $5,492	6.8 $5,518
01 Personal services:			
Permanent positions	$117,517	$106,149	$34,800
Positions other than permanent	99,385	88,940	21,200
Other personal services	30,441	26,236	4,000
Total personal services	247,343	221,325	60,000
02 Travel	1,711	2,400	1,000
03 Transportation of things	999	700	300
04 Communication services	1,802	2,600	700
05 Rents and utility services	3,406	4,000	1,000
06 Printing and reproduction	985	1,000	200
07 Other contractual services	3,383	1,500	500
08 Supplies and materials	82,370	112,569	9,600
09 Equipment	1,507	600	
11 Grants, subsidies, and contributions	6,802	6,500	2,200
15 Taxes and assessments	2,874	2,060	500
Subtotal	353,182	355,254	76,000
Deduct quarters and subsistence charges	4,562	3,069	1,000
Total obligations	348,620	352,185	75,000

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 (16 U. S. C. 590p), [$10,000,000] *$12,500,000*, to remain available until expended. *(5 U. S. C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$10,000,000** Estimate 1960, **$12,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Great Plains conservation program (total obligations)	$5,636,148	$14,363,852	$12,500,000
Financing:			
Unobligated balance brought forward		−4,363,852	
Unobligated balance carried forward	4,363,852		
Appropriation (new obligational authority)	10,000,000	10,000,000	12,500,000

Cost-sharing contracts and technical assistance are offered by the Department 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 or for other irrigation practices 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 for the total program.

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 1960 estimate includes $10,400,000 for cost-sharing assistance to producers and $2,100,000 for technical assistance and administrative costs of the program.

Object Classification

	1958 actual	1959 estimate	1960 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	109	141	141
Full-time equivalent of all other positions	9	23	25
Average number of all employees	163	245	247
Number of employees at end of year	141	173	175
Average GS grade and salary	6.4 $4,877	6.7 $5,492	6.8 $5,518
01 Personal services:			
Permanent positions	$859,698	$1,276,982	$1,280,000
Positions other than permanent	27,958	77,334	85,000
Other personal services	3,964	5,684	10,000
Total personal services	891,620	1,360,000	1,375,000
02 Travel	49,288	80,000	82,000
03 Transportation of things	5,655	10,000	10,000
04 Communication services	8,571	15,000	15,000
05 Rents and utility services	5,132	10,000	10,000
06 Printing and reproduction	23,521	39,000	39,000
07 Other contractual services	42,570	95,723	96,076
Services performed by other agencies	28,950	64,000	64,000
08 Supplies and materials	20,813	36,000	36,000
09 Equipment	83,358	88,000	60,400
11 Grants, subsidies, and contributions	56,294	83,000	83,000
Cost-sharing assistance	4,293,904	12,263,852	10,400,000
13 Refunds, awards, and indemnities	215	100	200
15 Taxes and assessments	470	1,750	1,800
Total, Soil Conservation Service	5,510,361	14,146,425	12,272,476
ALLOTMENT ACCOUNTS			
Total number of permanent positions	8	9	9
Average number of all employees	5	8	8
Number of employees at end of year	5	10	10
Average GS grade and salary	7.2 $5,477	7.4 $6,202	7.4 $6,228
Average salary of ungraded positions	$4,337	$4,569	$4,569
01 Personal services:			
Permanent positions	$27,989	$53,944	$54,327
Positions other than permanent	3,135	1,242	1,242
Other personal services	39	212	423
Total personal services	31,163	55,398	55,992
02 Travel	2,577	4,869	4,800
03 Transportation of things	434	1,900	1,900
04 Communication services	1,652	680	680
05 Rents and utility services	25		
06 Printing and reproduction	1,454	865	765
07 Other contractual services	74,223	143,960	154,910
Services performed by other agencies	5,045	2,355	2,018
08 Supplies and materials	1,850	2,175	2,091
09 Equipment	6,044	1,692	800
11 Grants, subsidies, and contributions	1,019	3,508	3,543
15 Taxes and assessments	301	25	25
Total, allotment accounts	125,787	217,427	227,524
Total obligations	5,636,148	14,363,852	12,500,000
Obligations are distributed as follows:			
Soil Conservation Service	$5,510,361	$14,146,425	$12,272,476
Forest Service	29,756	32,903	32,000
Office of Information	16,674	20,600	20,600
Agricultural Conservation Program Service	6,831	21,424	21,424
Commodity Stabilization Service	72,526	142,500	153,500

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," soil bank programs.
"Mutual security," funds appropriated to the President.
"Plant acquisition and construction," Atomic Energy Commission.

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Charges for leave and mileage costs	$1,126,114		
2. Sale of maps and mosaics	255,509	$300,000	$300,000
3. Sale of personal property	541,287	269,000	265,000
4. Technical services to agricultural conservation program participants		4,475,000	7,900,000
5. Miscellaneous services to other accounts	938,074	1,531,000	1,185,000
Total obligations	2,860,984	6,575,000	9,650,000

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SOIL CONSERVATION SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Advances and reimbursements from—			
Other accounts	$2,104,001	$6,090,000	$9,150,000
Non-Federal sources	756,983	485,000	500,000
Total financing	2,860,984	6,575,000	9,650,000

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 and 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	12	165	165
Full-time equivalent of all other positions	15	285	490
Average number of all employees	160	1,022	1,645
Number of employees at end of year	12	862	866
Average GS grade and salary	6.4 $4,877	6.7 $5,492	6.8 $5,518
01 Personal services:			
Permanent positions	$761,255	$3,712,975	$5,809,000
Positions other than permanent	48,903	965,639	1,661,000
Other personal services	48,891	54,986	78,000
Total personal services	859,049	4,733,600	7,548,000
02 Travel	43,504	82,000	104,500
03 Transportation of things	7,894	6,500	6,000
04 Communication services	4,004	6,400	6,500
05 Rents and utility services	73,246	77,000	77,100
06 Printing and reproduction	12,024	13,000	13,000
07 Other contractual services	880,584	725,000	887,500
08 Supplies and materials	387,210	395,000	295,000
09 Equipment	563,897	265,000	197,000
11 Grants, subsidies, and contributions	28,217	240,000	376,900
13 Refunds, awards, and indemnities	300	7,000	97,500
15 Taxes and assessments	1,055	24,500	41,000
Total obligations	2,860,984	6,575,000	9,650,000

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), 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; [$235,000,000] *$241,500,000*, 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, [1958] *1959*, carried out during the period July 1, [1957] *1958*, to December 31, [1958] *1959*, inclusive: *Provided*, That not to exceed [$24,698,000] *$26,832,950* 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] *$5,424,200* 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 [1959] *1960* program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to [$250,000,000] *$100,000,000*, 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 no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee:] *Provided further*, That not to exceed 5 per centum of the allocation for the [1959] *1960* 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 [1959] *1960* 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. (*72 Stat. 414; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Appropriated 1959, **$235,000,000** Estimate 1960, **$241,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Cost-sharing assistance to farmers	$210,998,381	$212,500,000	$212,500,000
2. Repayment of loans from Commodity Credit Corporation	1,015,939	22,501,619	29,000,000
Total direct obligations	212,014,320	235,001,619	241,500,000
Obligations from amounts advanced by Commodity Credit Corporation: Cost-sharing assistance to farmers	37,700,000	37,500,000	9,500,000
Reimbursable obligations: Cost-sharing assistance to farmers	444,000	444,000	444,000
Total obligations	250,158,320	272,945,619	251,444,000
Financing:			
Unobligated balance brought forward	−15,939	−1,619	
Advances and reimbursements from—			
Commodity Credit Corporation (loan)	−37,700,000	−37,500,000	−9,500,000
Other accounts	−115,000	−100,000	−100,000
Non-Federal sources	−329,000	−344,000	−344,000
Unobligated balance carried forward	1,619		
Appropriation (new obligational authority)	212,000,000	235,000,000	241,500,000

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sale of aerial photographs (7 U. S. C. 1387).

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

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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.

Under the 1957 program, new or additional practices were established on 1,161,000 farms and ranches, consisting of 36% of the cropland and 34% of all farmland in the United States. The following practices were installed under the 1957 program:

Dams and reservoirs	number	70,000
Drainage	acre	1,071,000
Leveling land to conserve irrigation water and control erosion	acre	324,000
Standard terraces	acre	857,000
Diversion and spreader terraces	mile	5,378
Stripcropping	acre	732,000
Control of competitive shrubs on range or pasture	acre	1,239,000
Tree planting	acre	283,000
Liming materials applied	ton	15,920,000
Permanent sod waterways	acre	44,788
Timber stand improvement	acre	228,000
All vegetative cover	acre	13,955,000

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. Repayment is made from balances of prior appropriations or from new funds appropriated.

The status of the loan account is:

AMOUNTS REPAID OR ESTIMATED TO BE REPAID ON COMMODITY CREDIT CORPORATION LOANS

	1958 actual	*1959 estimate*	*1960 estimate*	*Total*
Balance of 1957 loan	$1,000,000			$1,000,000
1958 loan	15,200,000	$22,500,000		37,700,000
1959 loan			$37,500,000	37,500,000
Total	16,200,000	22,500,000	37,500,000	76,200,000
Interest	3,316	63,091	109,886	176,293

A program level of $100 million for the 1960 crop year is proposed, a reduction of $150 million below the 1959 program. Payments for the 1960 program will be made from the 1961 appropriations.

Object Classification

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE			
Total number of permanent positions	62	70	70
Full-time equivalent of all other positions	1	1	1
Average number of all employees	58	65	65
Number of employees at end of year	67	71	71
Average GS grade and salary	8.1 $6,249	8.2 $6,942	8.2 $6,955
Direct obligations:			
01 Personal services:			
Permanent positions	$387,532	$454,262	$456,509
Positions other than permanent	2,590	2,860	2,860
Other personal services	1,548	1,764	3,512
Total personal services	391,670	458,886	462,881
02 Travel	28,911	43,510	40,455
03 Transportation of things	888	1,200	1,000
04 Communication services	7,272	6,900	6,900
06 Printing and reproduction	9,133	8,000	8,000
07 Other contractual services:			
Advanced to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	21,520	23,655	23,655
Services performed by other agencies	8,826	4,441	4,441

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE—continued			
Direct obligations—Continued			
08 Supplies and materials	$5,692	$3,000	$3,000
09 Equipment	11,418	2,000	1,000
11 Grants, subsidies, and contributions	23,902	29,833	30,093
Cost-sharing assistance	186,286,426	208,625,694	213,584,075
13 Refunds, awards, and indemnities	1,025		
15 Taxes and assessments	151	200	200
Total direct obligations	186,796,834	209,207,319	214,165,700
Reimbursable obligations:			
11 Grants, subsidies, and contributions	38,144,000	37,944,000	9,944,000
Total, Agricultural Conservation Program Service	224,940,834	247,151,319	224,109,700
ALLOTMENT ACCOUNTS			
Total number of permanent positions	116	123	131
Full-time equivalent of all other positions	5	3	3
Average number of all employees	112	121	121
Number of employees at end of year	128	134	134
Average GS grade and salary	6.0 $4,775	6.1 $5,346	6.1 $5,301
01 Personal services:			
Permanent positions	$492,529	$578,300	$581,300
Positions other than permanent	15,267	9,533	8,834
Other personal services	13,448	4,328	6,083
Total personal services	521,244	592,161	596,217
02 Travel	10,970	13,900	13,700
03 Transportation of things	15,449	13,550	13,550
04 Communication services	5,952	5,625	5,625
05 Rents and utility services	15,717	17,790	17,790
06 Printing and reproduction	794	1,260	1,260
07 Other contractual services	354,427	352,090	350,813
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	4,503,703	4,825,084	4,825,084
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	19,564,385	19,755,131	21,295,131
Services performed by other agencies	10,703	5,175	5,175
08 Supplies and materials	149,818	165,880	163,550
09 Equipment	31,704	7,100	6,500
11 Grants, subsidies, and contributions	31,256	37,994	38,345
13 Refunds, awards, and indemnities	1,011	1,200	1,200
15 Taxes and assessment	353	360	360
Total, allotment accounts	25,217,486	25,794,300	27,334,300
Total obligations	250,158,320	272,945,619	251,444,000
Obligations are distributed as follows:			
Agricultural Conservation Program Service	$224,940,834	$247,151,319	$224,109,700
Commodity Stabilization Service	25,090,965	25,663,190	27,203,190
Forest Service	126,521	131,110	131,110

[EMERGENCY CONSERVATION MEASURES]

[The unobligated balance of the amounts made available under this head in the Third Supplemental Appropriation Act, 1957, and in the Supplemental Appropriation Act, 1958, shall remain available until expended.] (*Supplemental Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Emergency cost-sharing assistance to farmers (total obligations)	$6,267,502	$6,940,523	$5,000,000
Financing:			
Unobligated balance brought forward	−3,069,200		−10,000,000
Recovery of prior year obligations	−138,825		
Unobligated balance carried forward		10,000,000	5,000,000
Unobligated balance no longer available	16,940,523		
New obligational authority	20,000,000	16,940,523	
New obligational authority:			
Appropriation	$20,000,000		
Reappropriation		$16,940,523	

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

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AGRICULTURAL CONSERVATION PROGRAM SERVICE—Continued

Current authorizations—Continued

[EMERGENCY CONSERVATION MEASURES]—Continued

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 or will be 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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$6,267,502	$6,940,523	$5,000,000

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," soil bank programs.
"Great Plains conservation program," Soil Conservation Service.

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, [$14,195,000] *$15,437,000*: *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, [$20,659,000] *$26,623,000*, 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. (*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, 451–469; 26 U. S. C. 4851–4854, 4861–4865, 4871–4877, 6001, 6804, 7233, 7263, 7492, 7493, 7701; 31 U. S. C. 725d; 72 Stat. 352, 476, 1749; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Appropriated 1959, **$34,854,000** Estimate 1960, **$42,060,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Marketing research and agricultural estimates:			
(a) Marketing research	$7,196,534	$7,460,100	$7,459,700
(b) Economic and statistical analysis	1,570,498	1,643,400	1,643,400
(c) Crop and livestock estimates	5,701,759	6,173,811	6,333,900
Total, marketing research and agricultural estimates	14,468,791	15,277,311	15,437,000
2. Marketing services:			
(a) Market news service	4,395,189	4,658,297	4,977,297
(b) Inspection, grading, classing, and standardization	9,091,659	15,209,970	18,598,003
(c) Freight rate services	168,357	190,990	190,990
(d) Regulatory activities	2,094,065	2,293,515	2,786,515
(e) Administration and coordination of State payments	64,886	70,195	70,195
Total, marketing services	15,814,156	22,422,967	26,623,000
Total direct obligations	30,282,947	37,700,278	42,060,000
Reimbursable obligations:			
2. Marketing services: (b) Inspection, grading, classing, and standardization	2,361,100	2,774,585	2,774,585
Total obligations	32,644,047	40,474,863	44,834,585
Financing:			
Advances and reimbursements from other accounts	−2,361,100	−2,774,585	−2,774,585
Unobligated balance no longer available	221,653		
New obligational authority	30,504,600	37,700,278	42,060,000
New obligational authority:			
Appropriation	$29,691,600	$34,854,000	$42,060,000
Transferred (72 Stat. 243) from—			
"Conservation reserve," soil bank programs	771,206		
"Reimbursement to Commodity Credit Corporation for advances for grading and classing activities"	11,427		
"School lunch program"	35,367		
Transferred to "Management and investigation of resources," Bureau of Commercial Fisheries, Department of the Interior (70 Stat. 1119)	−5,000		
Appropriation (adjusted)	30,504,600	34,854,000	42,060,000
Proposed supplemental due to pay increases		2,846,278	

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 is aimed at aiding in the orderly and efficient marketing and effective distribution of agricultural products from the Nation's farms to the consumers. A supplemental estimate for 1959 is anticipated under Proposed for later transmission.

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

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assembly points, terminal or central markets, and retail markets.

In 1958, research was conducted on more than 500 projects each aimed at a specific marketing research problem. Work was completed or discontinued on 92 projects and started on 68 new projects in 1958. The findings of this research were made public primarily through about 500 marketing research reports and other printed documents. Additional dissemination of these results was obtained through press releases and over 100 articles reviewing research findings in various general and trade journals. Twenty-six new contracts were negotiated during the year, bringing to 52 the total of active contracts providing for marketing research work by private firms and other non-Federal agencies.

(*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 through situation, outlook and research reports which serve as the basis for much of the economic work done by the Extension Service, farm organizations, businessmen, and organizations handling farm products. Farmers and others rely on information from these reports in planning the most profitable adjustments in their operations and marketing programs. Approximately 80 of the 90 outlook and situation reports published by the Department were issued under this activity. Further technical reporting of economic and statistical analysis activities was contained in about 34 reports published during 1958.

(*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, numbers and inventory 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 1958, States expended an estimated $1.25 million of their State funds on these cooperative programs. A comparison of activity data for 1957 and 1958, including work performed under cooperative arrangements, is as follows:

	1957 actual	*1958 estimate*
Separate inquiry forms mailed, total all offices	11,800	12,200
Questionnaires distributed	8,750,000	9,300,000
Questionnaires tabulated	2,670,000	2,850,000
Number of official reports released	8,290	8,600
Copies of reports distributed	13,000,000	13,100,000
Publications distributed:		
Federal (mainly Agricultural Situation)	3,100,000	3,100,000
State: Statistical and other	350,000	360,000
Special requests for information answered	73,000	73,000

2. *Marketing services*—(*a*) *Market news service.*—This service provided 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.

The proposed increase for 1960 is to cover higher rates on leased teletype service.

MARKET NEWS SERVICE

	1956 actual	*1957 actual*	*1958 actual*
States covered by cooperative agreement	37	38	39
Field offices:			
Year-round	161	166	176
Seasonal	36	39	51
Buyers and sellers interviewed	25,985	19,608	21,734
Daily newspapers carrying reports (approximate)	1,200	1,200	1,200
Stations broadcasting reports:			
Radio	1,461	1,461	1,460
Television	152	149	150
Mimeographed releases to growers, shippers, and others	32,389,827	32,244,428	28,844,077
Names on mailing list	297,702	303,651	302,646

(*b*) *Inspection, grading, 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 79% of the total cost of the work under the project was offset by fees and other revenue in 1958, which are shown principally under "Agricultural Marketing Service trust funds" in part III of the budget.

The proposed increase for 1960 would be used to finance, on a full-year basis, the inspection service at seasonal and year-round evisceration and slaughter plants operating under the Poultry Products Inspection Act.

STANDARDIZATION ACTIVITIES

	1956 actual	*1957 actual*	*1958 actual*
Grade standards in effect	3,098	3,151	[1] 1,379
Number of commodities covered	261	268	276

[1] Reduction due to revised method of tabulating tobacco grades and types.

INSPECTION, GRADING, AND CLASSING ACTIVITIES UNDER APPROPRIATED FUNDS

	1958 actual	*1959 estimate*	*1960 estimate*
Cotton classings by Federal employees—number	19,724,155	17,500,000	17,500,000
Poultry products inspection:			
Volume inspected—1,000 lbs	115,000	2,835,000	4,000,000
Grain inspections by licensees—number	3,042,362	3,100,000	3,200,000
Volume inspected—1,000 bu	5,716,975	5,800,000	5,800,000
Tobacco auction markets—number	177	177	177
Volume inspected at markets—million lbs	1,716	1,850	1,900
Sets of buyers—number	241	241	241

(*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 1958 participated in 56 formal litigation actions before the Interstate Commerce Commission and other regulatory bodies and carried on 58 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 for 1960 would be used to strengthen the overall administration of the Packers and Stockyards Act, as amended, including extension to all interstate livestock transactions, regardless of the size of the market.

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AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

MARKETING RESEARCH AND SERVICE—Continued

	1958 actual	1959 estimate	1960 estimate
Packers and Stockyards Act:			
Yards eligible for posting and supervision (estimate)	1,000	2,000	2,000
Yards posted and supervised	600	640	1,080
Warehouse Act:			
Number of licensed warehouses	1,682	1,700	1,730
Capacity of licensed warehouses:			
Grain (millions—bushels)	846.2	875.0	900.0
Cotton (millions—bales)	13.3	13.5	13.5
Average number of supervisory inspections per warehouse	1.8	1.8	1.8
Seed Act:			
Import actions	15,803	15,000	15,000
Interstate investigations:			
Completed	865	800	800
Pending	575	900	900
Seed samples tested	18,977	18,300	18,300

(e) *Administration and coordination of State payments.*—This covers the activity required in administering and coordinating the marketing service work performed by the States and financed jointly by State funds and Federal funds provided by the appropriation "Payments to States, Territories, and possessions." In 1958, this work was carried on in 43 States and Territories.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5,388	5,938	6,437
Full-time equivalent of all other positions	261	340	356
Average number of all employees	4,104	5,092	5,859
Number of employees at end of year	4,491	5,246	5,600
Average GS grade and salary	7.3 $5,312	7.3 $5,857	7.3 $5,822
Average salary of ungraded positions	$3,991	$4,191	$4,194
Personal service obligations:			
Permanent positions	$22,282,616	$28,049,785	$31,003,235
Positions other than permanent	893,334	1,268,800	1,320,565
Other personal services	175,784	484,300	619,900
Total personal service obligations	23,351,734	29,802,885	32,943,700
Direct obligations:			
01 Personal services	21,597,205	27,753,145	30,893,960
02 Travel	1,565,255	2,213,400	2,502,340
03 Transportation of things	232,363	336,100	385,200
04 Communication services	1,594,379	1,748,600	2,302,400
05 Rents and utility services	195,138	242,900	209,400
06 Printing and reproduction	535,778	581,800	581,900
07 Other contractual services	1,222,631	1,281,000	1,381,500
Services performed by other agencies	729,130	844,000	844,000
08 Supplies and materials	529,503	531,800	547,900
09 Equipment	661,510	339,800	387,000
10 Land and structures	67,906	20,000	12,000
11 Grants, subsidies, and contributions	1,294,068	1,747,333	1,940,600
13 Refunds, awards, and indemnities	20,821	18,400	19,800
15 Taxes and assessments	37,260	42,000	52,000
Total direct obligations	30,282,947	37,700,278	42,060,000
Reimbursable obligations:			
01 Personal services	1,754,529	2,049,740	2,049,740
02 Travel	199,458	223,000	223,000
03 Transportation of things	69,850	103,000	103,000
04 Communication services	77,244	94,000	94,000
05 Rents and utility services	20,022	25,000	25,000
06 Printing and reproduction	19,949	25,000	25,000
07 Other contractual services	16,712	17,700	17,700
Services performed by other agencies	6,024	6,000	6,000
08 Supplies and materials	55,014	71,245	71,245
09 Equipment	49,964	46,100	46,100
11 Grants, subsidies, and contributions	81,785	102,000	102,000
13 Refunds, awards, and indemnities	847	1,000	1,000
15 Taxes and assessments	9,702	10,800	10,800
Total reimbursable obligations	2,361,100	2,774,585	2,774,585
Total obligations	32,644,047	40,474,863	44,834,585

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, 1959.*)

Appropriated 1959, **$1,160,000** Estimate 1960, **$1,160,000**

Program and Financing

	1958 actual	1959 estimate	1960 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 matching fund basis to State and Territorial marketing agencies for carrying out specifically approved programs designed to bring about improved marketing. Under this activity, marketing specialists work with farmers, marketing firms, and agencies in solving marketing problems and in putting to use marketing research results.

This program covers such projects as methods of maintaining and improving the quality of products; ways of reducing marketing costs; expanding outlets for surplus products, and the collection and dissemination of special State and local market information and statistics. Through this cooperative approach, 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.

In 1959, with 43 States and Territories conducting about 132 projects, the program is being carried on at the same level as in 1958. For 1960, the program level will be the same.

Object Classification

	1958 actual	1959 estimate	1960 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), [$110,000,000] *$100,000,000*: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act[: *Provided further*, That $35,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32]. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Appropriated 1959, **$110,000,000** Estimate 1960, **$100,000,000**
Appropriated (adjusted), 1959, **$145,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Food assistance:			
(a) Cash payments to States	$83,754,171	$93,600,000	$83,600,000
(b) Commodity procurement	14,811,421	49,743,000	14,918,500
2. Operating expense	1,306,748	1,657,000	1,481,500
Total obligations	99,872,340	145,000,000	100,000,000
Financing:			
Unobligated balance no longer available	92,293		
New obligational authority	99,964,633	145,000,000	100,000,000
New obligational authority:			
Appropriation	$100,000,000	$110,000,000	$100,000,000
Transferred from "Removal of surplus agricultural commodities" (72 Stat. 194)		35,000,000	

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority—Continued			
Transferred to "Marketing research and service" (72 Stat. 243)	−$35,367		
Appropriation (adjusted)	99,964,633	$145,000,000	$100,000,000

1. *Food 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 1958 the States contributed to this program $613 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 for distribution to the schools according to their need under section 6 of the School Lunch Act. 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 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 1958 during the peak month provided lunches to nearly 30% of the approximately 39.1 million school children in the country. The number of types A and B lunches served, which must meet established nutritional requirements, increased approximately 6% over 1957. Participation in the program in December 1957 reached 11.5 million children in 59,882 schools and an appreciable increase in number of participating children is expected in 1959 and 1960.

During 1958 about $558 million worth of agricultural commodities were used in the program. About 14% of this amount represented commodities contributed under Federal surplus removal and price support programs.

Participation in the program from 1957 through 1960 is as follows:

	1957 actual	*1958 preliminary*	*1959 estimate*	*1960 estimate*
Average number of schools	52,322	54,634	56,000	58,000
Average number of school children, millions	9.547	10.118	10.930	11.800
Number of meals served, billions	1.777	1.889	2.100	2.250

Financing of the program in the last 3 years was as follows:

[In millions]

	1956	*1957*	*1958*
State and local contributions (total, including payments by children)	$515.0	$573.5	$613.0
Federal appropriation:			
(a) Cash payments	66.8	83.8	83.8
(b) Commodity procurement	14.8	14.7	14.8
Surplus commodity distribution	100.0	132.0	76.0
Special milk program	45.8	60.0	65.6
Federal contributions	227.4	290.5	240.2
Total, all contributions	742.4	864.0	853.2

2. *Operating expenses* consist of furnishing administrative and technical assistance to State agencies and participating schools; apportioning cash to States and Territories; administering directly the program for over 2,000 private schools where the State educational agency is prohibited by law from disbursing funds to such schools; procuring and distributing section 6 commodities; and formulating and administering overall policies and procedures, including audits and administrative reviews.

Object Classification

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions	163	166	160
Average number of all employees	145	155	155
Number of employees at end of year	118	157	156
Average GS grade and salary	7.3 $5,312	7.3 $5,857	7.3 $5,822
Average salary of ungraded positions	$3,991	$4,191	$4,194
01 Personal services:			
Permanent positions	$889,445	$993,581	$993,700
Other personal services	7,479	9,039	9,700
Total personal services	896,924	1,002,620	1,003,400
02 Travel	107,171	115,100	115,200
03 Transportation of things	2,886	2,000	2,000
04 Communication services	33,693	42,300	42,000
05 Rents and utility services	14,036	16,500	16,500
06 Printing and reproduction	26,354	23,900	23,900
07 Other contractual services	17,309	22,100	22,000
Services performed by other agencies	34,200	44,000	44,000
08 Supplies and materials	12,339	21,500	21,000
09 Equipment	19,188	9,600	9,500
11 Grants, subsidies, and contributions	51,762	58,650	58,700
Cash payments	83,754,171	93,600,000	83,600,000
13 Refunds, awards, and indemnities	1,012	900	900
15 Taxes and assessments	882	830	900
Total, Agricultural Marketing Service	84,971,917	94,960,000	84,960,000
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions	19	55	25
Average number of all employees	15	50	21
Number of employees at end of year	7	15	8
Average GS grade and salary	5.9 $4,740	6.0 $5,312	6.0 $5,264
01 Personal services:			
Permanent positions	$73,741	$233,970	$98,350
Other personal services	385	2,730	1,000
Total personal services	74,126	236,700	99,350
02 Travel	609	4,440	1,700
03 Transportation of things	250	1,750	550
04 Communication services	1,969	9,640	2,500
05 Rents and utility services	4,522	12,500	6,000
06 Printing and reproduction	496	3,150	1,500
07 Other contractual services	202	900	400
Services performed by other agencies	401	1,850	600
08 Supplies and materials	861	5,150	1,200
Grants of commodities to States	14,811,421	49,743,000	14,918,500
09 Equipment	877	3,500	1,200
11 Grants, subsidies, and contributions	4,592	16,800	6,200
13 Refunds, awards, and indemnities	78	440	200
15 Taxes and assessments	19	180	100
Total, Commodity Stabilization Service	14,900,423	50,040,000	15,040,000
Total obligations	99,872,340	145,000,000	100,000,000

Reimbursement to Commodity Credit Corporation for Advances for Grading and Classing Activities

Note.—This appropriation is shown under Special activities and is reflected in the schedules of the Commodity Credit Corporation fund.

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.
"Translation of publications and scientific cooperation," funds appropriated to the President.

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AGRICULTURAL MARKETING SERVICE—Continued

Permanent authorizations:

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

(Indefinite special fund)

Appropriated (estimate) 1959, **$675,000** Estimate 1960, **$685,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Licensing dealers and handling complaints:			
Direct obligations	$592,089	$708,300	$749,300
Reimbursable obligations	25,400	25,400	25,400
Total obligations	617,489	733,700	774,700
Financing:			
Unobligated balance brought forward	−311,738	−394,627	−361,327
Advanced from "Marketing research and service" (7 U. S. C. 499s)	−25,400	−25,400	−25,400
Unobligated balance carried forward	394,627	361,327	297,027
Appropriation (new obligational authority)	674,978	675,000	685,000

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 25,050 licenses were in effect on June 30, 1958, and this is expected to increase by about 1,600 by the close of 1960. Formal complaints are expected to continue to average around 2,000 a year. Steps being taken to assist growers and shippers to correct or prevent misbranding of produce will tend to hold down the number of potential complaints. The increase in level of work in 1960 is primarily to place on a full-year basis the expansion made in 1959.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	137	127	129
Full-time equivalent of all other positions	2	2	2
Average number of all employees	93	105	113
Number of employees at end of year	112	125	129
Average GS grade and salary	7.3 $5,312	7.3 $5,857	7.3 $5,822
Average salary of ungraded positions	$3,991	$4,191	$4,194
Direct obligations:			
01 Personal services:			
Permanent positions	$487,474	$579,527	$619,868
Positions other than permanent	6,329	9,265	9,265
Other personal services	2,326	2,298	4,867
Total personal services	496,129	591,090	634,000
02 Travel	34,297	41,300	41,300
03 Transportation of things	492	500	300
04 Communication services	16,682	17,500	17,400
05 Rents and utility services	4,189	4,200	4,200
06 Printing and reproduction	11,495	14,900	14,900
07 Other contractual services	9,549	10,880	10,000
Services performed by other agencies	345		
08 Supplies and materials	6,341	8,900	8,100
09 Equipment	6,921	10,150	7,800
11 Grants, subsidies, and contributions	4,155	7,330	9,700
13 Refunds, awards, and indemnities	1,080	1,000	1,000
15 Taxes and assessments	414	550	600
Total direct obligations	592,089	708,300	749,300
Reimbursable obligations:			
11 Grants, subsidies, and contributions	25,400	25,400	25,400
Total obligations	617,489	733,700	774,700

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(Indefinite)

Appropriated (est.) 1959, **$235,936,663** Estimate 1960, **$246,000,000**
Appropriated (adjusted) 1959, **$196,150,248**
Estimate (adjusted) 1960, **$238,607,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Commodity program payments:			
(a) Direct purchases	$124,471,285	$145,506,400	$145,506,400
(b) Diversion payments	2,719,691		
2. Surplus removal operating expenses	2,224,392	2,668,600	2,668,600
3. Marketing agreements and orders	1,682,040	1,825,000	1,825,000
Total obligations	131,097,408	150,000,000	150,000,000
Financing:			
Comparative transfers to other accounts	2,125,616	2,493,000	
Unobligated balance brought forward	−297,948,852	−300,000,000	−300,000,000
Recovery of prior year obligations	−2,632,912		
Unobligated balance carried forward	300,000,000	300,000,000	300,000,000
Unobligated balance no longer available	83,585,747	43,657,248	88,607,000
New obligational authority	216,227,007	196,150,248	238,607,000
New obligational authority:			
Appropriation	$220,878,158	$235,936,663	$246,000,000
Transferred to—			
"Promote and develop fishery products and research pertaining to American fisheries," Bureau of Commercial Fisheries, Department of the Interior (15 U. S. C. 713c-3, as amended by act of Aug. 8, 1956)	−4,651,151	−4,786,415	−4,800,000
"School lunch program" (72 Stat. 194)		−35,000,000	
"Salaries and expenses," Foreign Agricultural Service			−2,593,000
Appropriation (adjusted)	216,227,007	196,150,248	238,607,000

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 (except for an amount equal to 30% of such receipts collected on fishery products transferred to the Department of Interior to encourage the distribution of fishery products) 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 funds devoted to any one commodity or product thereof must not exceed 25% of funds available. It also provides that the funds must be devoted principally to perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949. It has been determined that this provision can be legally satisfied by setting aside or reserving the principal portion of section 32 funds for the use of perishable nonbasic agricultural commodities when the occasion arises warranting their use for such purpose.

1. *Commodity program payments.*—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; diversion payments which enable processors to purchase surplus commodities on the domestic market, divert them to byproducts and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities; and export payments which enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices (no export programs were in effect in 1958). During the past 2 years assistance under these programs was given to the following commodity groups:

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[In millions]

	1957	1958
Dairy products	$54.9	$122.6
Eggs and poultry	26.3	.1
Fruits	1.5	1.2
Grain	12.4	------
Livestock products	33.3	------
Peanut butter	------	.9
Vegetables	7.3	2.4
Total	135.7	127.2

The use of section 32 program funds is contingent upon economic conditions. The estimates for both 1959 and 1960 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 available funds for their removal or diversion as conditions might warrant.

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. Distribution in 1958 including those under section 6 of the National School Lunch Act is summarized below:

Distribution	Number of recipients (peak month) (millions)	Value of commodities distributed (millions)	Pounds of commodities distributed (millions)
By recipients:			
School children	13.6	$90.8	341.1
Needy persons	4.7	75.9	471.5
Persons in charitable institutions	1.4	33.6	148.3
Foreign countries: 85	----	272.5	1,973.0
Total		472.8	2,933.9
By program:			
Sec. 32		128.5	322.5
Donation by Commodity Credit Corporation under sec. 416		329.5	2,522.0
Sec. 6, National School Lunch Act		14.8	89.4
Total		472.8	2,933.9

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 1958, the monthly plentiful foods list contained an average of 9 foods, and 11 national and 6 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 approval by producers (and handlers in case of marketing agreements). They help to 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, 1958, there were 68 orders in effect for milk and 36 covering tree fruits, tree nuts, and vegetables.

Object Classification

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions	534	484	484
Full-time equivalent of all other positions	1	4	4
Average number of all employees	428	443	443
Number of employees at end of year	442	454	454
Average GS grade and salary	7.3 $5,312	7.3 $5,857	7.3 $5,822
Average salary of ungraded positions	$3,991	$4,191	$4,194
01 Personal services:			
Permanent positions	$2,697,161	$2,943,720	$2,943,720
Positions other than permanent	3,617	14,748	14,748
Other personal services	13,362	16,332	26,332
Total personal services	2,714,140	2,974,800	2,984,800

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL MARKETING SERVICE—continued			
02 Travel	$236,149	$260,000	$260,000
03 Transportation of things	2,742	5,000	5,000
04 Communication services	74,999	89,300	89,300
05 Rents and utility services	27,220	35,000	35,000
06 Printing and reproduction	38,284	50,000	50,000
07 Other contractual services	55,512	81,250	71,250
Services performed by other agencies	6,295	------	------
08 Supplies and materials	30,937	40,000	40,000
09 Equipment	45,514	35,000	35,000
11 Grants, subsidies, and contributions	165,575	188,150	188,150
Commodity program payments	299,293	500,000	670,000
13 Refunds, awards, and indemnities	4,393	4,050	4,050
15 Taxes and assessments	1,443	2,050	2,050
Total, Agricultural Marketing Service	3,702,496	4,264,600	4,434,600
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions	94	111	110
Average number of all employees	72	100	99
Number of employees at end of year	72	91	91
Average GS grade and salary	5.9 $4,740	6.0 $5,312	6.0 $5,264
01 Personal services:			
Permanent positions	$368,873	$514,695	$514,695
Other personal services	8,886	10,535	12,385
Total personal services	377,759	525,230	527,080
02 Travel	9,258	13,100	13,100
03 Transportation of things	1,297	2,000	2,000
04 Communication services	11,872	16,300	16,300
05 Rents and utility services	20,720	41,900	41,900
06 Printing and reproduction	4,414	6,350	6,350
07 Other contractual services	3,037	5,465	4,465
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	28,000	32,450	32,450
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	15,000	40,000	40,000
08 Supplies and materials	3,658	4,700	4,700
Grants of commodities to States	124,471,285	132,506,400	134,836,400
09 Equipment	3,928	5,500	4,500
11 Grants, subsidies, and contributions	23,127	34,555	34,705
Commodity program payments	2,420,398	12,500,000	10,000,000
13 Refunds, awards, and indemnities	1,092	1,300	1,300
15 Taxes and assessments	67	150	150
Total, Commodity Stabilization Service	127,394,912	145,735,400	145,565,400
Total obligations	131,097,408	150,000,000	150,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research to extend storage life of fresh fruits and vegetables (Department of Defense)	$20,170	------	------
2. Statistical and tabulating services:			
Department of Agriculture	60,801	$84,200	$84,200
Other Federal agencies	1,098	3,300	3,300
3. Market news service:			
Department of Agriculture	666	665	665
State agencies under cooperative agreement	210,714	190,330	190,330
4. Inspection, grading, classing, and standardization:			
Department of Agriculture	32,116	56,100	56,100
Other Federal agencies	16,845	96,700	96,700
Non-Federal sources	367,765	1,002,710	1,627,710
5. Administration of special milk program	581,006	658,100	658,100
6. Wool marketing agreements	5,328	9,300	9,300
7. Storage research on Commodity Credit Corporation owned grains	133,507	144,500	144,500
8. Other services relating to programs administered by Commodity Stabilization Service	151,010	109,900	110,700
9. Miscellaneous services to other accounts	38,175	23,750	23,750
10. Prior year advances returned	14,310	------	------
Total obligations	1,633,511	2,379,555	3,005,355

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AGRICULTURAL MARKETING SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	$19,945	$22,045	
Advances and reimbursements from—			
Other accounts	1,035,139	1,149,420	$1,172,265
Non-Federal sources	600,472	1,208,090	1,833,090
Unobligated balance carried forward	−22,045		
Total financing	1,633,511	2,379,555	3,005,355

NOTE.—Reimbursements from non-Federal sources above are from cooperating universities, and State, county, local, and private agricultural 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 (21 U. S. C. 468; 72 Stat. 352 (7 U. S. C. 78)); and from refund of terminal leave payments (5 U. S. C. 61b). 1958 amounts exclude $39,350 of unfilled orders from other accounts at end of year which will become reimbursements of a subsequent year.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	245	234	242
Full-time equivalent of all other positions	2	3	3
Average number of all employees	208	203	232
Number of employees at end of year	185	142	173
Average GS grade and salary	7.3 $5,312	7.3 $5,857	7.3 $5,822
Average salary of ungraded positions	$3,991	$4,191	$4,194
01 Personal services:			
Permanent positions	$1,159,091	$1,131,956	$1,327,501
Positions other than permanent	6,287	12,241	12,241
Other personal services	81,749	850,138	1,283,123
Total personal services	1,247,127	1,994,335	2,622,865
02 Travel	132,667	117,040	114,380
03 Transportation of things	3,444	15,252	15,212
04 Communication services	76,126	75,533	75,533
05 Rents and utility services	15,170	46,375	46,285
06 Printing and reproduction	8,125	5,671	5,651
07 Other contractual services	31,777	25,206	25,256
Services performed by other agencies	2,225		
08 Supplies and materials	27,508	22,942	22,912
09 Equipment	20,259	18,586	18,566
11 Grants, subsidies, and contributions	53,491	57,483	57,543
13 Refunds, awards, and indemnities	14,709	329	329
15 Taxes and assessments	883	803	823
Total obligations	1,633,511	2,379,555	3,005,355

Proposed for later transmission:

MARKETING RESEARCH AND SERVICE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Marketing research and agricultural estimates: Crop and livestock estimates		$170,000	
2. Marketing services:			
(a) Market news service		301,000	
(b) Inspection, grading, classing, and standardization		636,000	
Total, marketing services		937,000	
Total obligations		1,107,000	
Financing:			
Proposed supplemental appropriation		1,107,000	

Under existing legislation, 1959.—An anticipated supplemental appropriation of $1,107,000 for 1959 is anticipated for (1) increased postage costs under Public Law 85-426, approved May 27, 1958, which established new postal rates effective August 1, 1958 ($481,000); (2) increased costs of the leased wire contract due to an increase in rates for leased teletype facilities ($26,000); and (3) inspection service under the Poultry Products Inspection Act ($600,000).

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 (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 (7 U. S. C. 1766), [$4,002,300] *$4,268,300: 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, in addition, not to exceed $2,593,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U. S. C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: Provided further, That, in addition, not to exceed the equivalent of $560,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104 (a) of that Act. (5 U. S. C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$4,002,300** Estimate 1960, **$4,268,300**
Estimate (adjusted) 1960, **$6,861,300**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Dollar obligations:			
1. Analysis of foreign agriculture and trade	$1,130,132	$1,266,200	$1,266,200
2. Agricultural attachés	2,925,358	3,002,100	3,002,100
3. Foreign market promotion	1,898,793	2,248,400	2,348,400
4. Import controls	226,823	244,600	244,600
Total dollar obligations	6,181,106	6,761,300	6,861,300
Foreign currency obligations:			
2. Agricultural attachés		200,000	200,000
5. Market development projects, general operating expenses	295,043	360,000	360,000
Total foreign currency obligations	295,043	560,000	560,000
Total obligations	6,476,149	7,321,300	7,421,300
Financing:			
Comparative transfer from "Removal of surplus agricultural commodities"	−2,125,616	−2,493,000	
Foreign currency, Agricultural Trade Development and Assistance Act of 1954	−295,043	−560,000	−560,000
Unobligated balance no longer available	31,657		
New obligational authority	4,087,147	4,268,300	6,861,300
New obligational authority:			
Appropriation	$4,002,300	$4,002,300	$4,268,300
Transferred from—			
"Removal of surplus agricultural commodities" (1960 appropriation act)			2,593,000
"Conservation reserve," soil bank programs (72 Stat. 243)	84,847		
Appropriation (adjusted)	4,087,147	4,002,300	6,861,300
Proposed supplemental due to pay increases		266,000	

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 United States agricultural

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commodities and helps smooth the channels through which exports move.

Direct appropriation—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 United States 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 United States agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting to meet the needs of the American agricultural industry is maintained.

Transfer from Removal of surplus agricultural commodities—3. *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 United States agricultural commodities under title I of Public Law 480, and followup on the shipments of those commodities; and (*e*) directing the operation of market development projects to further expand foreign markets for agricultural products with foreign currencies generated under title I of Public Law 480.

4. *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 1958, investigations were conducted on 18 commodities and 5 recommendations were submitted to the President or the Tariff Commission. Under import controls for dairy products, a total of 1,854 licenses for imports of cheese were issued and 177 for manufactured dairy products other than cheese.

The expenses from foreign currencies, reflected above, represent (1) the estimated amounts of foreign currencies which will be used for the attaché program and (2) the estimates of general operating expenses related to the foreign market development work being conducted by the Foreign Agricultural Service pursuant to section 104 (a) of Public Law 480. The total anticipated use of foreign currencies by the Foreign Agricultural Service is shown below in a separate informational schedule.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	675	667	667
Full-time equivalent of all other positions	12	11	11
Average number of all employees	631	641	650
Number of employees at end of year	646	663	663
Average GS grade and salary	9.2 $6,951	9.2 $7,663	9.2 $7,674
Average salary of ungraded positions	$2,345	$2,703	$2,703
01 Personal services:			
Permanent positions	$4,044,886	$4,552,400	$4,628,700
Positions other than permanent	52,743	54,600	54,600
Other personal services	234,598	196,200	213,400
Total personal services	4,332,227	4,803,200	4,896,700
02 Travel	400,798	453,300	461,300
03 Transportation of things	161,889	152,900	152,900
04 Communication services	62,305	71,100	71,100
05 Rents and utility services	49,630	33,100	33,100
06 Printing and reproduction	112,256	132,800	134,300
07 Other contractual services	53,913	73,200	73,200
Services performed by other agencies	614,192	610,000	610,000
08 Supplies and materials	33,928	34,700	34,700
09 Equipment	104,238	92,000	82,900
11 Grants, subsidies, and contributions	244,324	294,800	300,900
13 Refunds, awards, and indemnities	9,725	8,000	8,000
15 Taxes and assessments	1,681	2,200	2,200
Total obligations	6,181,106	6,761,300	6,861,300

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

	1958 actual	1959 estimate	1960 estim te
Program by activities:			
1. Market development projects:			
(*a*) Program expenses	$5,509,625	$8,465,417	$6,440,000
(*b*) General operating expenses	295,043	360,000	360,000
2. Agricultural attachés		200,000	200,000
3. Travel of United States agricultural specialists abroad		189,583	
Total obligations	5,804,668	9,215,000	7,000,000
Financing:			
Unobligated balance brought forward	−7,899,800	−6,441,148	−1,518,678
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent	404,035		
Unobligated balance carried forward	6,441,148	1,518,678	
Unobligated balance no longer available	2,426,412		
Authorization to expend foreign currency receipts (7 U. S. C. 1704)	7,176,463	4,292,530	5,481,322

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 enable the Foreign Agricultural Service to develop new foreign markets and expand existing markets for United States agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. The type of market development projects being carried out include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. A total of $46.5 million is estimated as the amount available as of June 30, 1958 for market development projects. At June 30, 1958, there were 370 market development projects operating in 33 countries. Beginning with 1959, approximately $200,000 in foreign currencies are being used to pay certain costs of the agricultural attachés.

Object Classification

	1958 actual	1959 estimate	1960 estimate
FOREIGN AGRICULTURAL SERVICE			
Total number of permanent positions	24	73	73
Full-time equivalent of all other positions	2	1	1

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FOREIGN AGRICULTURAL SERVICE—Continued

Current authorizations—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
FOREIGN AGRICULTURAL SERVICE—con.			
Average number of all employees	23	69	69
Number of employees at end of year	28	70	70
Average salary of ungraded positions	$2,116	$2,227	$2,227
01 Personal services:			
Permanent positions	$40,338	$150,860	$150,320
Positions other than permanent	5,038	900	900
Other personal services	97	79,640	80,180
Total personal services	45,473	231,400	231,400
02 Travel	204,178	250,000	250,000
03 Transportation of things	37,539	40,000	40,000
04 Communication services	8,758	10,000	10,000
05 Rents and utility services	37,903	55,000	55,000
06 Printing and reproduction	4,171	5,000	5,000
07 Other contractual services	5,262,852	8,184,600	6,284,600
Services performed by other agencies	97,456	110,000	110,000
08 Supplies and materials	5,685	7,000	7,000
09 Equipment	445	2,000	2,000
11 Grants, subsidies, and contributions	208	5,000	5,000
Total, Foreign Agricultural Service	5,704,668	8,900,000	7,000,000
ALLOCATION TO DEPARTMENT OF COMMERCE			
02 Travel	24	4,000	
03 Transportation of things	9,633	35,000	
04 Communication services	1,195	5,000	
05 Rents and utility services	1,818	25,000	
06 Printing and reproduction	8	1,000	
07 Other contractual services	85,878	230,000	
08 Supplies and materials	1,251	10,000	
09 Equipment	193	5,000	
Total, Department of Commerce	100,000	315,000	
Total obligations	5,804,668	9,215,000	7,000,000

Analysis of Expenditures

Obligated balance, start of year	$4,175,828	$6,409,622	$6,624,622
Obligations incurred during year	5,804,668	9,215,000	7,000,000
Obligated balance, end of year	−6,409,622	−6,624,622	−5,624,622
Expenditures	3,570,874	9,000,000	8,000,000

Status of Unfunded Allocations

Unfunded balance, start of year	$7,226,528	$7,543,180	$1,518,678
Allocations	7,176,463	4,292,530	5,481,322
Unfunded balance expiring or lapsing	−2,426,412		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−404,035		
Unfunded balance, end of year	−7,543,180	−1,518,678	
Transfers into agency account	4,029,364	10,317,032	7,000,000

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:
"Mutual security," funds appropriated to the President.
"President's special international program," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Commodity Credit Corporation representatives for sales, barter, and stockpiling	$53,486	$62,100	$62,100
2. Miscellaneous services to other accounts	158,779	174,000	174,000
Total obligations	212,265	236,100	236,100
Financing:			
Advances and reimbursements from—			
Other accounts	$212,200	$236,100	$236,100
Non-Federal sources (40 U. S. C. 481 (c))	65		
Total financing	212,265	236,100	236,100
Object Classification			
Total number of permanent positions	23	23	23
Average number of all employees	25	26	26
Number of employees at end of year	23	23	23
Average GS grade and salary	9.3 $6,780	9.0 $7,386	9.0 $7,386
01 Personal services:			
Permanent positions	$168,067	$181,462	$180,834
Positions other than permanent	656	750	750
Other personal services	7,780	7,888	8,516
Total personal services	176,503	190,100	190,100
02 Travel	8,596	20,300	20,300
03 Transportation of things	1,787	200	200
04 Communication services	772	1,500	1,500
06 Printing and reproduction	1,437	1,100	1,100
07 Other contractual services	2,112	200	200
Services performed by other agencies	8,100	8,100	8,100
08 Supplies and materials	2,038	2,700	2,700
09 Equipment	148		
11 Grants, subsidies, and contributions	10,772	11,900	11,900
Total obligations	212,265	236,100	236,100

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] *$900,000. (72 Stat. 1013; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$832,000** Estimate 1960, **$900,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Licensing	$65,942	$60,100	$60,100
2. Supervision of futures trading	471,654	475,900	475,900
3. Audits	170,233	197,200	197,200
4. Investigations	154,739	166,800	166,800
Total program costs [1]	862,568	900,000	900,000
5. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	1,158		
Total program (obligations)	863,726	900,000	900,000
Financing:			
Unobligated balance no longer available	1,162		
New obligational authority	864,888	900,000	900,000
New obligational authority:			
Appropriation	$832,000	$832,000	$900,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	32,888		
Appropriation (adjusted)	864,888	832,000	900,000
Proposed supplemental due to pay increases		68,000	

[1] Includes capital outlay as follows: 1958, $4,643; 1959, $2,000; 1960, $2,000.

Enforcement of the Commodity Exchange Act requires supervision over futures trading in 22 commodities on 16 exchanges to prevent price manipulation and corners and insure honesty and fair dealing. Transactions on contract markets were estimated at 8,424,000 in 1958, and the value of trading approximately $34 billion.

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1. *Licensing.*—Commission merchants and floor brokers are registered annually. In 1958 there were 537 commission merchants and 813 floor brokers so registered. The estimates for 1960 are 560 and 840 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 1958, position surveys covered 4,182 traders.

REPORTS TABULATED AND ANALYZED

	1958 actual	*1959 estimate*	*1960 estimate*
Daily trading volume and open contracts	239,353	250,000	250,000
Daily and weekly reports on large traders	275,187	300,000	325,000
Delivery notices	43,589	40,000	40,000

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. The 1958 audits revealed that customers had to their credit $81,672,368 required to be segregated from the funds of the carrying brokers.

AUDITS

	1958 actual	*1959 estimate*	*1960 estimate*
Audits of customers' segregated funds	506	650	618
Accounts examined	26,326	33,000	31,350
Financial statements examined	538	550	560

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 1958 there were 37 compliance investigations completed and 59,000 transactions examined.

5. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1957, $2,588; 1958, $3,746; 1959, $3,746; 1960, $3,746.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	141	137	129
Full-time equivalent of all other positions	1	1	1
Average number of all employees	125	124	120
Number of employees at end of year	126	122	120
Average GS grade and salary	6.9 $5,398	7.1 $6,072	7.1 $6,190
01 Personal services:			
Permanent positions	$733,250	$766,857	$763,750
Positions other than permanent	2,036	3,153	3,242
Other personal services	4,384	3,590	6,608
Total personal services	739,670	773,600	773,600
02 Travel	12,933	10,300	10,300
03 Transportation of things	1,183	900	600
04 Communication services	17,399	20,000	20,000
05 Rents and utility services	15,391	15,400	15,400
06 Printing and reproduction	10,748	11,000	11,000
07 Other contractual services	6,659	9,000	9,200
Services performed by other agencies	1,745	1,000	1,000
08 Supplies and materials	6,192	5,900	5,800
09 Equipment	6,116	2,000	2,200
11 Grants, subsidies, and contributions	45,102	50,200	50,200
13 Refunds, awards, and indemnities	510	600	600
15 Taxes and assessments	78	100	100
Total obligations	863,726	900,000	900,000

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.

From the appropriations provided for the conservation reserve and acreage reserve programs, funds are advanced to the Commodity Credit Corporation to cover payments to producers under the programs.

In accordance with the 1959 appropriation act for the Department of Agriculture the acreage reserve program was terminated at the end of the 1958 crop year.

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), [$200,000,000] *$360,370,000*: *Provided*, That not to exceed [$16,000,000] *$19,318,000* shall be available for administrative expenses of which not less than [$12,750,000] *$15,171,900* 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 $375,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: *Provided further*, That hereafter no conservation reserve contract shall be entered into which provides for [(1)] payments for conservation practices in excess of the average rate for comparable practices under the Agricultural Conservation Program [, or (2) annual rental payments in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof. In determining the value of the land for this purpose, the county committee shall take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such land]. (*72 Stat. 81; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Appropriated 1959, **$200,000,000** Estimate 1960, **$360,370,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Conservation reserve (total obligations)	$134,077,353	$145,000,000	$360,370,000
Financing:			
Unobligated balance no longer available	19,110,169	55,000,000	
New obligational authority	153,187,522	200,000,000	360,370,000
New obligational authority:			
Appropriation	$162,940,000	$200,000,000	$360,370,000
Transferred (72 Stat. 243) to—			
"Salaries and expenses," Agricultural Research Service	−2,648,753		
"Salaries and expenses," Farmer Cooperative Service	−10,500		
"Conservation operations," Soil Conservation Service	−2,500,000		
"Marketing research and service," Agricultural Marketing Service	−771,206		
"Salaries and expenses," Foreign Agricultural Service	−84,847		
"Salaries and expenses," Commodity Exchange Authority	−32,888		
"Acreage allotments and marketing quotas," Commodity Stabilization Service	−111,409		
"Salaries and expenses," Rural Electrification Administration	−25,455		

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SOIL BANK PROGRAMS—Continued

Current authorizations—Continued

CONSERVATION RESERVE [PROGRAM]—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority—Con.			
Transferred (72 Stat. 243) to—Con.			
"Salaries and expenses," Farmers' Home Administration	−$1,124,100		
"Salaries and expenses," Office of the General Counsel	−85,000		
"Salaries and expenses," Office of the Secretary	−83,500		
"Salaries and expenses," Office of Information	−34,300		
"Salaries and expenses," Library	−29,215		
"Forest protection and utilization," Forest Service	−2,211,305		
Appropriation (adjusted)	153,187,522	$200,000,000	$360,370,000

The objective of this program is to help adjust total crop acreage more nearly in line with demand by withdrawing from 30 to 35 million acres of cropland from production and to establish and maintain sound conservation practices on the land withdrawn. Producers may enter into contracts through calendar year 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 a practice and annual payments for the duration of the contract. The Secretary may not enter into contracts with producers which would require payments to producers in excess of $375 million for the 1959 calendar year. Total annual payments to a producer for any year are generally limited to $5,000.

Participation in the program is summarized below:

Number of agreements as of April 15, 1958	127,000
Number of acres	9,899,000
Payments made in calendar year 1957	$89,972,690
Estimated payments to be made in calendar year 1958	$130,500,000

For the 1959 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. It is estimated that more than 13 million acres will be placed in the conservation reserve under the 1959 program bringing the total to about 23 million acres. This additional participation is anticipated because of (*a*) an increase in the annual payment rate from about $10 to $13.50 per acre, (*b*) special incentives for placing whole farms in the program, and (*c*) consideration given to productivity of land in establishing maximum payment rates for individual farms.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	COMMODITY STABILIZATION SERVICE			
03	Transportation of things	$4,213		
06	Printing and reproduction	59,904	$100,000	$125,000
07	Other contractual services: Advanced to—			
	"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	2,000,000	1,960,107	2,346,000
	"Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture" (7 U. S. C. 1388)	12,000,000	12,836,900	15,171,900
11	Grants, subsidies, and contributions: Conservation reserve payments	114,933,598	126,722,169	339,052,000
	Total, Commodity Stabilization Service	128,997,715	141,619,176	356,694,900

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
	ALLOTMENT ACCOUNTS			
	Total number of permanent positions	54	50	57
	Full-time equivalent of all other positions	18	26	29
	Average number of all employees	151	125	157
	Number of employees at end of year	61	50	60
	Average GS grade and salary	6.5 $4,974	6.8 $5,608	6.9 $5,695
01	Personal services:			
	Permanent positions	$833,051	$732,797	$896,373
	Positions other than permanent	56,535	79,630	94,872
	Other personal services	3,969	2,186	3,771
	Total personal services	893,555	814,613	995,016
02	Travel	34,095	42,300	47,700
03	Transportation of things	852	800	700
04	Communication services	24,175	11,000	11,250
05	Rents and utility services	3,391	3,000	3,500
06	Printing and reproduction	20,224	4,200	2,800
07	Other contractual services	55,557	55,840	51,940
	Services performed by other agencies	153,397	16,152	13,952
08	Supplies and materials	18,293	20,397	21,200
09	Equipment	4,563	2,400	1,850
10	Lands and structures	21,644		
11	Grants, subsidies, and contributions	3,847,223	2,408,272	2,523,042
13	Refunds, awards, and indemnities	435	10	25
15	Taxes and assessments	2,327	1,840	2,125
	Subtotal	5,079,731	3,380,824	3,675,100
	Deduct quarters and subsistence charges	93		
	Total, allotment accounts	5,079,638	3,380,824	3,675,100
	Total obligations	134,077,353	145,000,000	360,370,000
	Obligations are distributed as follows:			
	Commodity Stabilization Service	$128,997,715	$141,619,176	$356,694,900
	Agricultural Conservation Program Service	8,547	21,424	14,200
	Forest Service	4,243,267	2,596,000	2,716,000
	Soil Conservation Service	776,967	703,500	820,000
	Office of the General Counsel	43,337	51,000	116,000
	Office of Information	7,520	8,900	8,900

ACREAGE RESERVE [PROGRAM]

For necessary expenses to carry out [an] *liquidation activities for the* acreage reserve program *conducted* in accordance with the provisions of subtitles A and C of the Soil Bank Act (7 U. S. C. 1821–1824 and 1802–1814), [$330,000,000: *Provided*, That not to exceed $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 with respect to the 1959 crops] *$1,050,000.*

[For an additional amount for "Acreage reserve program", $279,450,000; and the limitation under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959, on the amount available for administrative expenses, is increased from "$13,000,000" to "$19,050,000".] (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$609,450,000** Estimate 1960, **$1,050,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Acreage reserve (total obligations)	$522,185,383	$609,450,000	$1,050,000
Financing:			
Unobligated balance no longer available	64,617		
New obligational authority	522,250,000	609,450,000	1,050,000
New obligational authority:			
Appropriation	$600,250,000	$609,450,000	$1,050,000
Transferred to "Commodity Credit Corporation fund" (72 Stat. 51)	−78,000,000		
Appropriation (adjusted)	522,250,000	609,450,000	1,050,000

This program was in effect for 3 crop years from 1956 through 1958. Producers were compensated for reducing

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their acreages for specified commodities below acreage allotments.

Accomplishments under the 1958 program are summarized below:

Commodity	*Number of agreements*	*Number of acres*	*Maximum possible payments*
Wheat	174,451	5,289,477	$105,111,500
Corn	355,789	6,658,093	282,255,190
Cotton (upland)	444,618	4,925,957	270,207,669
Rice	5,580	174,198	11,941,731
Tobacco	68,832	110,618	26,516,210
Total	1,049,270	17,158,343	696,032,300

The appropriation act for 1959 provided for the termination of the program after the 1958 crop year. The 1960 estimate is to cover costs of liquidating the program.

Object Classification

	1958 actual	1959 estimate	1960 estimate
COMMODITY STABILIZATION SERVICE			
03 Transportation of things	$5,726	$250	
06 Printing and reproduction	200,342	99,750	
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	3,640,000	4,302,058	$200,000
"Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture" (7 U. S. C. 1388)	30,749,000	14,511,492	800,000
11 Grants, subsidies, and contributions: Acreage reserve payments	487,534,315	590,453,550	
Total, Commodity Stabilization Service	522,129,383	609,367,100	1,000,000
ALLOTMENT ACCOUNTS			
Total number of permanent positions	14	14	7
Average number of all employees	8	10	6
Number of employees at end of year	6	10	6
Average GS grade and salary	8.1 $6,111	8.0 $6,833	8.2 $7,037
01 Personal services: Permanent positions	$48,298	$70,265	$42,325
Positions other than permanent	153	324	330
Total personal services	48,451	70,589	42,655
02 Travel	1,445	3,725	3,500
03 Transportation of things		50	
04 Communication services	142	550	500
06 Printing and reproduction	675	800	200
07 Other contractual services	228	300	225
Services performed by other agencies	1,009	1,200	
08 Supplies and materials	71	721	150
09 Equipment	949	300	
11 Grants, subsidies, and contributions	3,030	4,665	2,770
Total, allotment accounts	56,000	82,900	50,000
Total obligations	522,185,383	609,450,000	1,050,000
Obligations are distributed as follows:			
Commodity Stabilization Service	$522,129,383	$609,367,100	$1,000,000
Office of the General Counsel	43,285	69,500	50,000
Office of Information	12,715	13,400	

Soil Bank Programs

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Authorization to expend from public debt receipts:			
Unobligated balance brought forward	−$15,609,430	−$233,101	
Unobligated balance transferred to "Commodity Credit Corporation fund" (7 U. S. C. 1808)	19,247,132		
Recovery of prior year obligations	−3,870,803		
Unobligated balance carried forward	233,101		
Unobligated balance no longer available		233,101	
Appropriation (new obligational authority)			

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), [$39,715,000] *$39,135,000*, of which not more than [$6,380,100] *$6,886,300* shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938". *(72 Stat. 78–80, 101–102, 177–178, 186, 291, 703–705, 709, 988–996; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$39,715,000** Estimate 1960, **$39,135,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Acreage allotments and marketing quotas (total obligations)	$40,805,656	$39,715,000	$39,135,000
Financing:			
Unobligated balance no longer available	20,753		
New obligational authority	40,826,409	39,715,000	39,135,000
New obligational authority:			
Appropriation	$40,715,000	$39,715,000	$39,135,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	111,409		
Appropriation (adjusted)	40,826,409	39,715,000	39,135,000

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 1959 crops of flue-cured tobacco, peanuts, wheat, cotton, and rice. Acreage allotments and marketing quotas will be proclaimed for the 1959 crops of other kinds of quota tobaccos not later than February 1, 1959. The Agricultural Act of 1958, approved August 28, 1958, provides that (*a*) with respect to cotton the Secretary shall give producers of Upland cotton a choice of (1) plan A—planting within his acreage allotment and receiving price support determined under section 101 of the Agricultural Act of 1949, as amended, or (2) plan B—increasing his acreage by not to exceed 40% as determined by the Secretary and receiving price support at 15 parity points below the level under plan A; (*b*) a referendum shall be held of producers of corn in the 1958 commercial corn-producing area, to determine whether they favor price support as provided in the Agricultural Act of 1958 in lieu of the present acreage allotment and price support program; and (*c*) that the allotment for rice shall be maintained at the 1956 level.

In the referendum held November 25, 1958, 71.1% of the producers voting favored elimination of corn acreage allotments beginning with the 1959 crop. Therefore, no

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COMMODITY STABILIZATION SERVICE—Continued

Current authorizations—Continued

ACREAGE ALLOTMENTS AND MARKETING QUOTAS—Continued

commercial corn-producing area or allotments will be established. Additional funds may be required in 1959 and 1960 for meeting the additional workload with respect to cotton pursuant to the Agricultural Act of 1958.

Work in the fiscal years 1959 and 1960 will consist primarily of the following:

	Tobacco	*Peanuts*	*Whea*	*Cotton*	*Corn*	*Rice*
Gathering and compiling basic data, establishing acreage allotments and issuing allotment notices and marketing cards, fiscal years 1959 and 1960 (estimated number of allotment farms)	585,000	118,514	1,718,115	965,100	...	20,925
Handling appeals	17,500	1,300	55,000	34,000	...	700
Measuring farms and computing acreages (percent of farms measured):						
Fiscal year 1959:						
1958 crop	65.2	48.6	1.0	39.6	30.9	56.4
1959 crop	34.8	51.4	99.0	[1]33.7	...	43.6
Fiscal year 1960:						
1959 crop	65.2	48.6	1.0	[1]61.8	....	56.4
1960 crop	34.8	51.4	99.0	(1)	..	43.6
Conducting local referendums and certifying results (number):						
Fiscal year 1959	808	.....	2,529	1,092	932	157
Fiscal year 1960	57	496	2,529	1,092	....	157

[1] Represents estimate of work to be performed with appropriation for 1959 and estimate for 1960. Additional funds for 1959 and 1960 to cover additional work under the Agricultural Act of 1958 will permit measurement of entire 1959 crop and a portion of the 1960 crop of cotton.

Object Classification

	1958 actual	1959 estimate	1960 estimate
06 Printing and reproduction	$393,534	$289,950	$247,000
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	6,328,412	6,886,300	6,886,300
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U. S. C. 1388)	34,083,710	32,538,750	32,001,700
Total obligations	40,805,656	39,715,000	39,135,000

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101–1161), [$76,000,000] *$71,500,000*, 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] *$2,297,426*. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Appropriated 1959, **$76,000,000** Estimate 1960, **$71,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payments to sugar producers:			
(*a*) Continental beet area	$35,269,040	$36,782,475	$36,727,750
(*b*) Continental cane area	7,261,251	8,238,560	8,969,400
(*c*) Offshore cane area	22,992,682	28,742,539	23,505,424
2. Operating expenses	2,139,527	2,236,426	2,297,426
Total obligations	67,662,500	76,000,000	71,500,000
Financing:			
Appropriation (new obligational authority)	67,662,500	76,000,000	71,500,000

The Service determines total United States requirements and 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 acreage due to natural calamities.

Estimated production by areas is shown in the following table:

SHORT TONS, RAW VALUE

Area	*1957 crop year*	*1958 crop year*	*1959 crop year*
Continental beet area	2,213,000	2,175,000	2,250,000
Continental cane area	535,000	620,000	675,000
Hawaii	1,085,000	785,000	1,050,000
Puerto Rico	934,000	1,225,000	1,350,000
Virgin Islands	15,100	6,000	15,000
Total	4,782,100	4,811,000	5,340,000

2. *Operating expenses.*—These consist of the expenses of (*a*) the agricultural stabilization and conservation State and county offices in establishing farm 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 area production controls, and formulating overall policies and procedures.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1392)	$1,397,110	$1,487,028	$1,487,028
"Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture" (7 U. S. C. 1388)	742,417	749,398	810,398
11 Grants, subsidies, and contributions	65,522,973	73,763,574	69,202,574
Total obligations	67,662,500	76,000,000	71,500,000

SPECIAL COMMODITY DISPOSAL PROGRAMS

NOTE.—This appropriation is shown under Special activities and is reflected in th schedules of the Commodity Credit Corporation fund.

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments and allocations from other accounts a included in the schedules of the parent appropriations as follows:
"Agricultural conservation program," Agricultural Conservation Program Service.
"School lunch program," Agricultural Marketing Service.
"Conservation reserve," soil bank programs.
"Acreage reserve," soil bank programs.
"Great Plains conservation program," Soil Conservation Service.
"Removal of surplus agricultural commodities," Agricultural Marketing Service.
"Disaster loans, etc., revolving fund," Farmers' Home Administration.
"Mutual security," funds appropriated to the President.
"Revolving fund, Defense Production Act," funds appropriated to the President.

Permanent authorizations:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

(Indefinite)

NOTE.—This appropriation is shown under Commodity Credit Corporation and is flected in the schedules of the Commodity Credit Corporation fund.

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Intragovernmental funds:

Administrative Expenses, Sec. 392, Agricultural Adjustment Act of 1938

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. National and State operating expenses	$22,538,544	$25,382,947	$21,646,282
2. Prior year advances returned	986,078		
Total obligations	23,524,622	25,382,947	21,646,282
Financing:			
Unobligated balance brought forward	986,078		
Advances and reimbursements from—			
"Agricultural conservation program," Agricultural Conservation Program Service	4,525,223	4,848,739	4,848,739
"Acreage allotments and marketing quotas"	6,328,412	6,886,300	6,886,300
"Sugar Act program"	1,397,110	1,487,028	1,487,028
"Acreage reserve," soil bank programs	3,640,000	4,302,058	200,000
"Conservation reserve," soil bank programs	2,000,000	1,960,107	2,346,000
"Great Plains conservation program," Soil Conservation Service	15,000	27,500	27,500
"Disaster loans, etc., revolving fund," Farmers' Home Administration	70,000	49,500	29,000
"Removal of surplus agricultural commodities," Agricultural Marketing Service	28,000	32,450	32,450
Other accounts	4,907,991	5,789,265	5,789,265
Unobligated balance no longer available	−373,192		
Total financing	23,524,622	25,382,947	21,646,282

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

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	2,804		2,886		2,484	
	Full-time equivalent of all other positions	214		229		194	
	Average number of all employees	2,868		3,084		2,630	
	Number of employees at end of year	3,264		3,016		2,998	
	Average GS grade and salary	5.9	$4,740	6.0	$5,312	6.0	$5,264
01	Personal services:						
	Permanent positions	$14,704,520		$16,804,813		$14,399,148	
	Positions other than permanent	1,051,667		1,264,859		1,071,286	
	Other personal services	155,326		192,021		192,425	
	Total personal services	15,911,513		18,261,693		15,662,859	
02	Travel	3,273,320		3,699,967		3,083,542	
03	Transportation of things	118,141		126,605		106,233	
04	Communication services	782,662		648,270		569,557	
05	Rents and utility services	427,966		517,808		434,802	
06	Printing and reproduction	68,790		77,377		57,478	
07	Other contractual services	126,837		294,487		247,106	
	Services performed by other agencies	91,828		141,696		114,929	
08	Supplies and materials	296,866		278,795		238,157	
09	Equipment	473,768		168,881		128,716	
11	Grants, subsidies, and contributions	912,320		1,093,926		940,507	
13	Refunds, awards, and indemnities	1,011,701		37,635		32,486	
15	Taxes and assessments	28,910		35,807		29,910	
	Total obligations	23,524,622		25,382,947		21,646,282	

Local Administration, Sec. 388, Agricultural Adjustment Act of 1938

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Local operating expenses	$147,784,323	$138,120,171	$130,468,129
2. Prior year advances returned	5,052,001		
Total obligations	152,836,324	138,120,171	130,468,129

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	$5,052,001		
Advances and reimbursements from—			
"Agricultural conservation program," Agricultural Conservation Program Service	19,564,385	$19,755,131	$21,295,131
"Acreage allotments and marketing quotas"	34,083,710	32,538,750	32,001,700
"Sugar Act program"	742,417	749,398	810,398
"Commodity Credit Corporation fund (storage and price support programs)"	42,366,000	49,646,000	51,819,000
"Acreage reserve," soil bank programs	30,749,000	14,511,492	800,000
"Conservation reserve," soil bank programs	12,000,000	12,836,900	15,171,900
"Great Plains conservation program," Soil Conservation Service	57,526	115,000	126,000
"Disaster loans, etc., revolving fund," Farmers' Home Administration	58,400	77,500	35,000
"Removal of surplus agricultural commodities," Agricultural Marketing Service	15,000	40,000	43,000
Other accounts	8,216,411	7,850,000	8,366,000
Unobligated balance no longer available	−68,526		
Total financing	152,836,324	138,120,171	130,468,129

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Salaries	$102,130,873	$94,035,227	$89,037,111
Travel	8,189,620	7,420,017	6,447,553
All other expense	36,338,236	35,615,198	33,933,465
Total advances to committees	146,658,729	137,070,442	129,418,129
Prior year advances returned	5,052,001		
Aerial photography for performance checking	1,125,594	1,049,729	1,050,000
Total obligations	152,836,324	138,120,171	130,468,129

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	100		99		99	
	Full-time equivalent of all other positions	2					
	Average number of all employees	102		99		99	
	Number of employees at end of year	111		99		99	
	Average GS grade and salary	5.9	$4,740	6.0	$5,312	6.0	$5,264
01	Personal services:						
	Permanent positions	$440,091		$465,190		$462,400	
	Positions other than permanent	5,380		310		310	
	Other personal services	8,479		2,790		5,580	
	Total personal services	453,950		468,290		468,290	
02	Travel	9,258		8,500		8,500	
03	Transportation of things	15,226		13,500		13,500	
04	Communication services	3,813		3,600		3,600	
05	Rents and utility services	69		75		75	
06	Printing and reproduction	984		1,200		1,200	
07	Other contractual services	347,281		361,057		361,057	
08	Supplies and materials	187,126		153,300		153,300	
09	Equipment	79,211		6,600		6,600	
11	Grants, subsidies, and contributions	146,686,056		137,102,449		129,450,407	
13	Refunds, awards, and indemnities	5,053,022		1,200		1,200	
15	Taxes and assessments	328		400		400	
	Total obligations	152,836,324		138,120,171		130,468,129	

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Advanced from Commodity Credit Corporation:			
(*a*) Supply and foreign purchase program	$163,197	$185,000	$185,000
(*b*) International Wheat Agreement	160,383	215,000	215,000
(*c*) National Wool Act	146,033	262,000	262,000
(*d*) Sale of stockpile cotton	9,442	12,350	12,350

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COMMODITY STABILIZATION SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
2. Operation and maintenance, Department of the Air Force	$62,649	$65,000	
3. Miscellaneous services to other accounts	31,355	200,000	$200,000
Total obligations	573,059	939,350	874,350
Financing:			
Advances and reimbursements from other accounts	573,059	939,350	874,350

Object Classification

Total number of permanent positions		80		103		94
Average number of all employees		76		102		91
Number of employees at end of year		52		79		78
Average GS grade and salary	5.9	$4,740	6.0	$5,312	6.0	$5,264
01 Personal services:						
Permanent positions		$418,254		$584,719		$531,640
Positions other than permanent		646		999		399
Other personal services		4,585		6,286		7,952
Total personal services		423,485		592,004		539,991
02 Travel		12,355		24,700		24,300
03 Transportation of things		1,482		2,200		2,100
04 Communication services		12,927		18,080		17,630
05 Rents and utility services		38,749		191,870		192,628
06 Printing and reproduction		12,782		27,850		29,650
07 Other contractual services		9,014		10,540		7,200
Services performed by other agencies		14,637		8,075		8,075
08 Supplies and materials		15,395		16,520		8,500
09 Equipment		6,185		7,100		7,400
11 Grants, subsidies, and contributions		25,238		38,400		34,975
13 Refunds, awards, and indemnities		546		1,550		1,550
15 Taxes and assessments		264		461		351
Total obligations		573,059		939,350		874,350

SPECIAL ACTIVITIES

NOTE.—Funds estimated to be appropriated under this head are reflected in the schedules of the Commodity Credit Corporation fund.

Current authorizations:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, 1959 (including interest through date of recovery), as follows: (1) $63,875,000 under the International Wheat Agreement Act of 1949, as amended (7 U. S. C. 1641–1642); (2) $104,508,000 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); (3) $968,016,000 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); (4) $35,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U. S. C. 442–446); (5) $129,000,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U. S. C. 1856); (6) $1,056,500 for transfers to the appropriation "Diseases of animals and poultry" pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; and (7) $1,607,000 for transfers to the appropriation "Marketing research and service" 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). (72 Stat. 1790–1792.)

The funds and facilities of the Commodity Credit Corporation are utilized to carry out surplus-disposal programs and other special activities outside of the regular functions of the Corporation. Reimbursement to the Corporation is authorized for its cost incurred in carrying out these activities.

Through 1958, appropriations to reimburse the Corporation for 1956 and prior years' costs under these special programs were included in the regular appropriations to the department for the second year following the year in which the costs were incurred. The 1957 costs were recovered through a supplemental appropriation in 1958. A proposed supplemental appropriation for 1959 in the amount of $1,336,754,811 for 1958 costs and the 1960 estimate of $1,268,097,500 for 1959 costs provide for an acceleration of the rate of recovery by the Commodity Credit Corporation to assure the availability of sufficient borrowing authority to conduct its mandatory price support operations. Reimbursement for 1960 costs of these special activities will be requested in a later budget.

Details for each activity are reflected in the schedules supporting the estimates for the Commodity Credit Corporation.

Proposed for later transmission:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

Under existing legislation, 1959.—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 costs incurred in carrying out the programs. A supplemental appropriation for 1959 in the amount of $1,336,754,811 is anticipated to reimburse the Commodity Credit Corporation for authorized 1958 costs and reflected in the Commodity Credit Corporation fund schedules for the following 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).
Animal disease eradication activities (7 U. S. C. 397, 21 U. S. C. 114c).
Grading and classing activities (7 U. S. C. 414a, 473a, 511d).

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, [1957] *1958*, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U. S. C. 713a–1), [$1,760,399,886] *$1,535,424,413*. *(Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$1,760,399,886** Estimate 1960, **$1,535,424,41**

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COST OF SPECIAL ACTIVITIES

Estimate 1960, **$1,268,097,50**

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Reimbursement to Commodity Credit Corporation, National Wool Act

(Permanent indefinite)

Appropriation 1959, **$24,453,099** Estimate 1960, **$47,630,000**

Note.—Expenditures from the following fund for 1959 are subject to the first paragraph of title II of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959. For 1960 this paragraph is shown in the Department of Agriculture chapter, p. 372, preceding Federal Crop Insurance Corporation fund.

Public enterprise funds:

Commodity Credit Corporation Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
1. Price support program (Commodity Credit Corporation nonrecourse loan, purchase, and payment programs):			
Direct loan commitments	$763,385,324	$1,281,035,495	$787,563,100
Guaranteed loan commitments	1,362,299,537	2,365,200,000	1,269,100,000
Purchases of commodities and other obligations	1,516,177,451	1,643,626,000	2,767,010,218
Other obligations	1,634,865	1,313,500	1,283,500
Total price support program	3,643,497,177	5,291,174,995	4,824,956,818
2. Commodity export program: [1]			
Equalization payments	73,782,503	196,546,099	178,805,000
Purchases and other costs	18,606,678	20,300,000	20,300,000
3. Storage facilities program:			
Loan commitments	11,557,964	13,043,976	10,890,000
Purchases of storage facilities and equipment	385,686	35,000,000	30,000,000
Other expense	133,712	200,000	175,000
4. Supply and foreign purchase program	2,855,706	581,615	449,867
5. Special milk program: Payments	68,243,023	74,341,900	74,341,900
6. Undistributed expense:			
Administrative expenses, subject to limitation	33,875,335	39,532,000	41,594,000
Interest—Treasury	420,888,876	150,000,000	375,000,000
Other expense	11,918,095	10,949,226	14,279,550
Purchase of administrative equipment	458,826	800,000	400,000
Total price support, supply, and related programs and special milk	4,286,203,581	5,832,469,811	5,571,192,135
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule):			
7. Costs:			
Commodities transferred from price support program	757,792,062	532,376,750	626,175,750
Other program and administrative expense	799,931,135	1,061,746,763	831,661,335
Interest on balance recoverable	82,544,719	25,685,005	26,451,915
Total program costs	1,640,267,916	1,619,808,518	1,484,289,000
8. Relation of costs to obligations:			
Increase in selected working capital (soil bank and other)	−66,563,082	−99,649,583	−1,000,000
Total special activities financed by Commodity Credit Corporation (obligations)	1,573,704,834	1,520,158,935	1,483,289,000
Total program (obligations)	5,859,908,415	7,352,628,746	7,054,481,135
Financing:			
Amounts becoming available:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
Appropriation for restoration of capital impairment:			
Enacted or recommended in this document	1,239,788,671	1,760,399,886	1,535,424,413
Proposed for later transmission under existing legislation			575,000,000
Receipts and recoveries from operations:			
1. Price support program: Revenue and receipts:			
Repayment of loans:			
Direct: To Commodity Credit Corporation	432,998,397	734,002,862	479,343,300
Guaranteed: To lending agencies	73,022,893	26,400,000	5,600,000
Loans transferred to accounts receivable	778,748		
Sales of commodities [2]	2,261,710,448	1,447,697,854	1,862,224,382
Other revenue and receipts	17,279,686	2,494,746	865,000
Recovery of prior year obligations	228,434,022	215,611,000	209,814,000
Total price support program	3,014,224,194	2,426,206,462	2,557,846,682

[1] Includes costs represented by the value of commodities transferred from price support program.

[2] Sales under the price support program include the value of (1) transfers of commodities to special activities financed by Commodity Credit Corporation, (2) transfers of commodities to commodity export program for resale or for delivery against payment-in-kind certificates, (3) transfers of strategic and critical materials acquired under barter contracts to the national and the supplemental stockpiles and (4) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Amounts becoming available—Con.			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK—continued			
Receipts and recoveries from operations—Continued			
2. Commodity export program: Sales of commodities	$13,630,199	$14,400,000	$14,400,000
3. Storage facilities program: Revenue and receipts:			
Repayment of loans:			
Direct: To Commodity Credit Corporation	9,510,733	12,060,000	13,100,000
Guaranteed: To lending agencies	1,985,616	1,140,000	
Loans transferred to accounts receivable	502,414	490,000	450,000
Sale of bin sites	1,650		
4. Supply and foreign purchase program: Revenue	8,537,466	822,917	514,558
5. Special milk program: Revenue (recoveries)	2,103,837	1,226,027	1,108,900
6. Undistributed:			
Interest	98,012,670	47,632,000	36,540,000
Other	1,465,568	1,334,350	1,334,350
Recovery of prior year obligations	57,275,139	3,889,493	
Total receipts and recoveries from operations	3,207,249,486	2,509,201,249	2,625,294,490
Total price support, supply, and related programs and special milk	4,447,038,157	4,269,601,135	4,735,718,903
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule):			
Appropriations:			
Reimbursement to Commodity Credit Corporation for costs of special activities	2,588,708,106	1,336,754,811	1,268,097,500
Reimbursement to Commodity Credit Corporation for costs incurred under soil bank programs:			
Appropriation	489,500,000		
Transferred from "Acreage reserve" (70 Stat. 188)	78,000,000		
Reimbursement to Commodity Credit Corporation, National Wool Act (permanent indefinite authorization)	29,671,679	24,453,099	47,630,000
Total appropriations	3,185,879,785	1,361,207,910	1,315,727,500
Transferred to "Marketing research and service" from "Reimbursement to Commodity Credit Corporation for costs of special activities" (72 Stat. 243)	−11,427		
Total appropriations (adjusted)	3,185,868,358	1,361,207,910	1,315,727,500
Unobligated balances no longer available:			
Reimbursement to Commodity Credit Corporation for costs of special activities	−3,632		
Reimbursement to Commodity Credit Corporation for costs incurred under soil bank programs	−1,573,139		
Total appropriations, net	3,184,291,587	1,361,207,910	1,315,727,500
Unobligated balance transferred from soil bank programs (authorization to expend from public debt receipts)	19,247,133		
Revenue and receipts:			
Recovered from other than special appropriations to reimburse Commodity Credit Corporation	71,514,228	72,439,166	89,525,000
Repayment of loans for agricultural conservation purposes	16,200,000	22,500,000	37,500,000
Change in foreign currencies for sale, net	−2,244,890	39,735,347	9,897,000
Total revenue and receipts	85,469,338	134,674,513	136,922,000
Total special activities financed by Commodity Credit Corporation	3,289,008,058	1,495,882,423	1,452,649,500
Total amounts becoming available	7,736,046,215	5,765,483,558	6,188,368,403
Unobligated balance brought forward (authorization to expend from public debt receipts)	586,881,987	2,463,019,787	875,874,599
Total amounts available	8,322,928,202	8,228,503,345	7,064,243,002
Unobligated balance carried forward (authorization to expend from public debt receipts)	−2,463,019,787	−875,874,599	−9,761,867
Financing applied to program	5,859,908,415	7,352,628,746	7,054,481,135

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

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 the following types of programs; (1) price support, (2) commodity export, (3) storage facilities, (4) supply and foreign purchase, (5) special milk program and (6) special activities.

Obligations and expenditures for these programs include primarily loans, purchases, purchase agreements, carrying charges, incentive and other 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 1959 and 1960 are based on the general assumptions (*a*) that employment, production, and national income will rise moderately both in 1959 and 1960 from the 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 at about the same level as during 1958; (*e*) that acreage allotments and marketing quotas will be in effect for the 1959 crops of peanuts, rice, wheat, and certain kinds of tobacco; (*f*) that since corn producers have voted to discontinue corn acreage allotments the support rate will be based on the average price received by farmers; (*g*) that half of the cotton producers will elect to retain their regular acreage allotments and obtain higher price support and the other half will elect to increase their acreage allotments and accept lower price support; (*h*) that yields for the 1959 field crops will equal the average yield of the past 3 years; and (*i*) that the percentage of estimated production of the 1959 field crops placed under price support will at least equal the average percentage of the production of the 1955 through 1957 crops actually placed under price support. Wheat, corn, feed grains, rice, and cotton are exceptions to the latter assumption. The Corporation's export program providing for the sale of grains and cotton for export from free markets rather than from Commodity Credit Corporation stocks is expected to result in less of these commodities being placed under support than would otherwise be the case. The estimates for those commodities, as well as soybeans, beans, flaxseed, and extra long staple cotton, represent the current outlook with respect to the proportion of production to be placed under support.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1960. They are dependent upon weather conditions and all other factors affecting volume of production of crops not yet planted 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, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK

1. *Price support program.*—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, the Agricultural Act of 1956 (7 U. S. C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945 as amended (7 U. S. C. 1312). 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. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1962. Price support for other nonbasic agricultural commodities is discretionary except that whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. 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 financial institutions. 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, title II of the Agricultural Act of 1956, the Agricultural Act of 1958, and the act of August 19, 1958, in the case of cornmeal and wheat flour. Reimbursement for strategic and critical materials acquired in the Corporation's barter activities which are transferred under

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title II of the 1956 act to the supplemental stockpile is obtained by appropriations authorized by such act. This is described under the heading Special activities. To the extent that price-support commodities are disposed of through the commodity export program and special activities, such as sales for foreign currencies, the furnishing of such commodities for various purposes, and similar operations, such disposals are for accounting purposes treated as price-support program disposals.

DATA ON PRICE-SUPPORT PROGRAM

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Loans made	$2,126	$3,646	$2,057
Loans repaid	506	760	485
Loan collateral forfeited	2,006	2,145	2,554
Loans outstanding June 30	1,575	2,312	1,330
Acquisitions	3,683	3,852	5,444
Cost of goods sold	3,093	2,072	2,785
Donations	366	351	321
Inventory as of June 30	5,455	6,798	9,094
Investment in price support as of June 30	7,030	9,110	10,424
Net expenditures	616	2,928	2,470
Realized losses	1,007	799	1,001

2. *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 are paid by the Corporation subject to reimbursement from appropriations authorized for such purpose.

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.

In order to encourage movement of cotton, corn, barley, grain sorghums, oats, rye, and rice from free market supplies into export channels, export payments are made in the form of these commodities from the Corporation's stocks.

Cotton held in the Corporation's inventory is also sold for export on a competitive world price basis. The Corporation also conducts 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.

3. *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) and (b). The Corporation (*a*) purchases and maintains (in storage deficient areas) 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.

4. *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 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, 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. Most of the latter programs are currently in liquidation.

Loan operations.—The following table reflects the loan operations of the Corporation applicable to the preceding programs.

	1958 actual	*1959 estimate*	*1960 estimate*
Loans outstanding beginning of year:			
Commodity Credit Corporation	$1,633,851,214	$1,171,908,623	$1,973,062,600
Lending agencies	274,937,916	183,547,886	50,740,000
Certificates of interest	85,517,406	244,499,383	312,000,000
Total loans outstanding beginning of year	1,994,306,536	1,599,955,892	2,335,802,600
Add loans made	2,135,419,882	3,658,535,004	2,067,873,100
Deduct—			
Loans repaid	517,517,639	773,602,862	498,043,300
Acquisition of loan collateral	2,005,542,362	2,144,635,434	2,553,676,100
Transfers to accounts receivable	1,281,162	490,000	450,000
Writeoffs	5,429,363	3,960,000	----------
Total loans outstanding end of year	1,599,955,892	2,335,802,600	1,351,506,300

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

	1958 actual	1959 estimate	1960 estimate
Loans outstanding, end of year:			
Commodity Credit Corporation	$1,171,908,623	$1,973,062,600	$1,158,806,300
Lending agencies	183,547,886	50,740,000	4,800,000
Certificates of interest	244,499,383	312,000,000	187,900,000
Total loans outstanding, end of year	1,599,955,892	2,335,802,600	1,351,506,300
Deduct allowance for losses	246,983,000	354,987,500	90,416,500
Loans receivable, net (price support and storage facilities)	1,352,972,892	1,980,815,100	1,261,089,800

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs.

	1958 actual	1959 estimate	1960 estimate
AGRICULTURAL COMMODITIES			
On hand, start of year	$5,228,265,139	$5,233,987,748	$6,541,138,641
Acquisitions:			
Forfeiture of loan collateral	2,005,529,110	2,144,615,434	2,553,666,100
Excess of collateral acquired over loans cancelled	125,309,505	82,555,466	86,737,100
Purchases	630,322,502	663,305,869	1,662,979,908
Transfers and exchanges	124,741,763	85,618,940	42,000,000
Carrying charges	598,362,022	690,072,833	848,879,077
Total acquisitions	3,484,264,902	3,666,168,542	5,194,262,185
Dispositions:			
Donations to—			
Veterans Administration and Armed Forces	46,817,932	44,698,727	44,697,000
Emergency feed program	7,085,850	9,670,000	9,675,000
Needy persons, domestic	56,775,031	102,169,389	84,269,000
Needy persons, foreign (excluding title II, Public Law 480)	254,331,534	193,355,555	181,276,000
Research, experimentation, education, etc	1,215,356	1,217,559	1,216,500
Total donations	366,225,703	351,111,230	321,133,500
Sales and transfers:			
Bartered for strategic materials	114,852,332	100,765,000	155,566,500
Special programs:			
International Wheat Agreement	51,560,984	38,500,000	
Title I, Public Law 480	534,256,189	301,442,250	346,620,250
Title II, Public Law 480	88,102,981	63,399,500	54,555,500
Migratory waterfowl feed	18,506	35,000	
Total special programs	673,938,660	403,376,750	401,175,750
Commodity export program, payment-in-kind deliveries and other transfers	57,487,961	167,615,000	186,905,000
Other sales	1,497,263,848	806,645,503	1,124,236,690
Transfers and exchanges	140,014,816	86,173,239	42,000,000
Net loss on sales and transfers	628,758,973	443,330,927	675,439,560
Total, sales and transfers	3,112,316,590	2,007,906,419	2,585,323,500
Total dispositions	3,478,542,293	2,359,017,649	2,906,457,000
On hand, end of year	5,233,987,748	6,541,138,641	8,828,943,826
Less allowance for losses	2,143,809,098	2,588,822,850	3,168,590,000
On hand, end of year, net	3,090,178,650	3,952,315,791	5,660,353,826
STRATEGIC AND CRITICAL MATERIALS			
On hand, start of year	143,524,209	221,597,154	257,107,154
Acquisitions:			
Delivered by barter contractors	195,798,847	180,410,000	242,945,000
Carrying charges	5,056,744	6,400,000	7,500,000
Total acquisitions	200,855,591	186,810,000	250,445,000
Dispositions:			
National stockpile and other agencies	27,424,859	16,000,000	7,400,000
Special program: Supplemental stockpile	83,853,403	129,000,000	225,000,000
Difference between cost and transfer value	11,504,384	6,300,000	10,100,000
Total dispositions	122,782,646	151,300,000	242,500,000
On hand, end of year	221,597,154	257,107,154	265,052,154
Less allowance for losses	2,009,000	5,547,000	6,506,000
On hand, end of year, net	219,588,154	251,560,154	258,546,154

5. *Special milk program.*—Public Law 85–478, approved July 1, 1958 (72 Stat. 276), authorized the use of not to exceed $75 million annually through June 30, 1961, of Commodity Credit Corporation funds to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under and in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. The act further provides that amounts spent shall not be considered expended for the purpose of carrying out the price support program.

6. *Undistributed 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, 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 and rent of field office space. Estimates for 1960 include a limitation of $45,300,000 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 program under the National Wool Act of 1954, the International Wheat Agreement, 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 1960 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 and work performed on a contract basis by agricultural stabilization and conservation county committees) of property which the Corporation owns or in which it has an interest have been treated as program rather than administrative expenses. 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 FINANCED BY COMMODITY CREDIT CORPORATION

7. *Special activities.*—These activities are 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 subsequently be enacted.

Except with respect to the activities set forth in items (11) and (12) where losses, if any, would be recovered through the general restoration of capital impairment, the Corporation receives reimbursement for costs of these activities through regular appropriations. Appropriations to reimburse the Corporation for 1956 and prior years' costs of such activities have been included in the regular appropriations to the Department for the second year

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following the year in which the costs were incurred. The 1957 costs were recovered through supplemental appropriation in 1958. The proposed supplemental appropriation for later transmission in 1959 for 1958 costs and the 1960 estimate for 1959 costs provide for an acceleration of the time of recovery by the Commodity Credit Corporation to minimize the possibility that the Corporation will not have sufficient borrowing authority to conduct its mandatory price support operations. Reimbursement for 1960 costs will be requested in a later budget.

Activities currently being carried out are as follows:

(1) *International Wheat Agreement—(7 U. S. C. 1641–1642).*—This agreement, which was renewed for a period of 3 years 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.

Funds of Commodity Credit Corporation and its stocks of wheat are used to pay (*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 payment of the differential between the prevailing sales price of wheat under the agreement and the market price is paid to the exporter in Commodity Credit Corporation stocks of wheat rather than in cash. A cash payment for this differential is made for flour. The estimate for 1960 of $63,875,000 provides for reimbursing the Corporation for costs incurred in 1959 when an estimated 105 million bushels of wheat and wheat flour will be exported under the agreement. The following reflects the computation of the appropriations:

	Program year	
	1958	*1959*
Due at end of program year	$79,901,610	$63,875,000
Add interest to recovery	898,390	----------
Appropriation: 1959 supplemental and 1960	80,800,000	63,875,000

(2) *Emergency famine relief to friendly peoples.*—The Commodity Credit Corporation, through December 31, 1959, is directed, under title II of Public Law 480 (7 U. S. C. 1703, 1721–1724), 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, 1958, commitments undertaken under this authority totaled $461.5 million. Of this amount the value of commodities authorized for shipment totaled $397 million, of which nearly three-quarters or $291 million was for grain including rice. Actual commodity and freight costs incurred through June 30, 1958, were $414 million. During 1959 and 1960, additional commodity and freight costs of $104 million and $93 million, respectively, are expected to be incurred under the program. Estimated costs in 1960 are pursuant to authorizations issued prior to December 31, 1959.

Appropriations are authorized for a maximum of $800 million to reimburse the Corporation for its costs in carrying out the program. The estimate for 1960 of $104,508,000 provides such reimbursement for operations during 1959.

It is estimated that total costs under this program will approximate $627 million by June 30, 1960, and the following reflects the costs incurred in carrying out this program and the computation of the appropriations:

Fiscal year	*Program expenditures*	*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	116,001,011	5,444,617	121,445,628
1959 (estimate)	103,730,000	2,104,102	105,834,102
1960 (estimate)	93,000,000	1,395,000	94,395,000
Cumulative totals	611,060,933	15,985,900	627,046,833

	Program year		
	1958	*1959*	*1960*
Due at end of program year	$117,943,898	$104,508,000	$94,395,000
Add interest to recovery	1,326,102	----------	----------
Appropriation: 1959 supplemental, 1960 and 1961	119,270,000	104,508,000	94,395,000

(3) *Sales of surplus agricultural commodities for foreign currencies.*—Under the Agricultural Trade Development and Assistance Act (7 U. S. C. 1701–1709), surplus agricultural commodities are sold for foreign currencies. These currencies may then be used by the United States Government 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, acquisition of quarters abroad, participation in fairs and related activities, scientific activities, American-sponsored schools abroad, acquisition of buildings and grounds abroad for United States Government use, and loans for multilateral trade and economic development. If appropriations are available for a 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, 1958, agreements had been signed with 37 countries for commodities representing an export market value of $2,540.5 million. The major commodities included were wheat, cotton, and fats and oils which together amounted to 76% of the total value of the agreements. Through that date commodities with an export market value of about $2,065 million had been shipped. The total dollar equivalent of foreign currencies deposited in the Treasury through June 30, 1958, amounted to $2,097,659,452.

The act authorizes appropriations of not to exceed $6.25 billion to reimburse the Corporation for its net costs in carrying out this program. The estimate in 1960 of $968,016,000 covers estimated unreimbursed costs of operations through 1959 amounting to $1,175,079,954 less $207,063,954 representing the dollar equivalent of various foreign currencies received for agricultural commodities exported as of June 30, 1958, for which the Corporation may eventually be reimbursed in dollars or may be used for military housing with subsequent reimbursement from net rental receipts.

The following table reflects the net costs incurred by Commodity Credit Corporation by years:

Fiscal year	*Program expenditures*	*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	1,089,007,674	55,710,312	1,144,717,986
1959 (estimate)	1,100,000,000	20,850,000	1,120,850,000
1960 (estimate)	1,050,000,000	22,000,000	1,072,000,000
Cumulative totals	5,347,109,475	140,578,876	5,487,688,351
Deduct—			
Sales of currencies and rental collections	300,300,169	----------	300,300,169
Due from Department of Defense	97,534,354	----------	97,534,354
Net Commodity Credit Corporation costs	4,949,274,952	140,578,876	5,089,853,828
Appropriations through June 30, 1960			−3,996,849,228
Unreimbursed costs, June 30, 1960			1,093,004,600

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

The following reflects the computation of the appropriations:

	Program year		
	1958	*1959*	*1960*
Due at end of program year	$1,159,984,120	$1,175,079,954	$1,190,538,954
Less—			
Due from Department of Defense	31,137,792	60,499,354	97,534,354
Estimated to be recovered through sale of foreign currencies and net rental income from military housing	106,829,253	146,564,600	156,461,600
Add interest to recovery	11,497,925	----------	----------
Appropriation: 1959 supplemental, 1960, and 1961	1,033,515,000	968,016,000	936,543,000

The following reflects the utilization of the foreign currencies acquired under this program:

	[*In millions*]		
	1958	*1959*	*1960*
Foreign currency, start of year:			
Balance with Treasury	$1,085.3	$1,412.4	$1,708.1
Collection in transit to Commodity Credit Corporation	7.6	6.4	----------
Receivable from foreign governments	103.6	128.4	100.0
Total	1,196.5	1,547.2	1,808.1
Commodities shipped: Commodity Credit Corporation cost:			
Commodity Credit Corporation-owned commodities	534.2	301.4	346.6
Private stocks financed by Commodity Credit Corporation	482.2	723.6	635.4
Ocean freight differential	23.6	25.0	23.0
Ocean transportation	49.0	50.0	45.0
Interest expense	55.7	20.9	22.0
Total Commodity Credit Corporation cost	1,144.7	1,120.9	1,072.0
Deduct adjustment to export market value, including ocean transportation where applicable	433.8	399.3	380.0
Foreign currencies becoming due	710.9	721.6	692.0
Deduct foreign currency dispositions:			
Received from Treasury sales	70.8	70.2	85.0
Expended by Defense for military family housing	16.0	31.4	40.6
Expended by other agencies without reimbursement to Commodity Credit Corporation	236.3	334.1	522.7
Adjustment due to difference in exchange rates	37.1	25.0	30.0
Total dispositions	360.2	460.7	678.3
Foreign currency, end of year:			
Balance with Treasury	1,412.4	1,708.1	1,731.8
Collections in transit to Commodity Credit Corporation	6.4	----------	----------
Receivable from foreign governments	128.4	100.0	90.0
Total	1,547.2	1,808.1	1,821.8
Less allowance for loss and future expenditures with reimbursement to Commodity Credit Corporation by special appropriations	1,409.2	1,601.0	1,567.8
Recoverable from future sales of currencies and net receipts from military family housing	138.0	207.1	254.0

(4) *Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed.*—The Commodity Credit Corporation is directed to make available to the Secretary of the Interior through July 3, 1959 (7 U. S. C. 442–446), such grain acquired through price support operations and certified by the Commodity Credit Corporation to be available for such purposes or in such condition as to be undesirable for human consumption, as the Secretary of the Interior shall requisition.

During 1958, 260 tons of Commodity Credit Corporation grain, with an investment value of $18,506 were transferred under this program. It is estimated that 400 tons of grain will be transferred in 1959 at a cost to Commodity Credit Corporation of $35,000. The estimate for 1960 provides for reimbursement for operations during 1959.

(5) *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 other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes, to the supplemental stockpile. The act authorizes appropriations to reimburse the Corporation for amounts equal to the market value of materials transferred.

During 1958 materials valued at $82,250,335 were transferred under this program. An estimated $129,000,000 worth of materials will be transferred in 1959 and $225,000,000 in 1960. The estimate for 1960 provides for reimbursement for the 1959 transfers.

(6) *Animal disease eradication activities.*—The Commodity Credit Corporation advanced funds for eradication of foot-and-mouth and other contagious diseases of animals through June 30, 1959, pursuant to authority contained in annual appropriation acts and for eradication of brucellosis through June 30, 1958, under section 204 (e) of the act of August 28, 1954, as amended (7 U. S. C. 397). In 1959 a supplemental appropriation is anticipated to repay the Commodity Credit Corporation for advances for the eradication of vesicular exanthema of swine and brucellosis in 1958. An appropriation is being requested in 1960 to repay the Commodity Credit Corporation for advances for the eradication of vesicular exanthema of swine in 1959.

	Program year	
	1958	*1959*
Due at end of program year	$19,387,681	$1,056,500
Less refunds	214,627	----------
Add interest to recovery date	217,046	----------
Appropriation: 1959 supplemental and 1960	19,390,100	1,056,500

(7) *Grading and classing activities.*—The Commodity Credit Corporation makes advances to the Agricultural Marketing Service for classing and grading of agricultural commodities without charge to producers (7 U. S. C. 414a). Such advances used for classing cotton and grading tobacco not placed under price-support loan must be repaid from subsequent appropriations. A supplemental appropriation in 1959 is proposed for repaying advances received in 1958 and an appropriation for 1960 is proposed for repaying advances received in 1959.

	Program year		
	1958	*1959*	*1960*
Due at end of program year	$1,594,928	$1,607,000	$1,456,000
Less refunds	100,000	----------	----------
Add interest to recovery date	15,942	----------	----------
Appropriation: 1959 supplemental, 1960, and 1961	1,510,870	1,607,000	1,456,000

(8) *Soil bank program.*—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. Through June 30, 1957, funds of the Corporation were advanced for this program. A supplemental appropriation of $567,500,000 was received in 1958 to reimburse the Corporation for such advances.

Beginning July 1, 1957, funds were advanced to the Corporation from the soil bank appropriation to finance the program.

(9) *National Wool Act.*—Under the provisions of the National Wool Act of 1954, as amended, 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

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to the announced incentive level. The incentive level shall not exceed 110% of parity.

COSTS OF THE NATIONAL WOOL ACT

	Fiscal year 1958 1956 marketing year	*Fiscal year 1959 1957 marketing year*	*Fiscal year 1960 1958 marketing year*
Volume of marketings:			
Shorn wool---pounds	248,823,100	156,000,000	286,363,600
Unshorn lambs---cwt	11,089,400	12,424,200	11,363,600
Incentive payments:			
Per pound, shorn wool---cents	17.7	8.3	22.0
Per hundredweight, unshorn lambs---cents	71.0	33.0	88.0
Incentive payments:			
Shorn wool	$44,041,689	$13,000,000	$63,000,000
Unshorn lambs	7,873,459	4,100,000	10,000,000
Mohair			2,000,000
Total payments	51,915,148	17,100,000	75,000,000
Administrative expenses	2,327,852	2,885,000	2,885,000
Interest expense	2,939,448	1,111,000	3,053,000
Total	57,182,448	21,096,000	80,938,000

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 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:

	1958 actual	*1959 estimate*	*1960 estimate*
70% of customs receipts on wool and wool products—cumulative from Jan. 1, 1953 (calendar years) (estimated)	$230,984,119	$278,614,000	$328,114,000
Cumulative incentive payments (fiscal years)	109,524,533	126,624,533	201,624,533
Balance of limitation available	121,459,586	151,989,467	126,489,467

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 all duties collected on wool and wool products during the preceding calendar year. Estimated costs and reimbursements to Commodity Credit Corporation during 1958, 1959 and 1960 are indicated in the following table:

	1958 actual	*1959 estimate*	*1960 estimate*
Due at beginning of year	$61,292,352	$88,803,121	$85,446,022
Costs for year:			
Program	54,243,000	19,985,000	77,885,000
Interest	2,939,448	1,111,000	3,053,000
Total	57,182,448	21,096,000	80,938,000
Total due	118,474,800	109,899,121	166,384,022
Reimbursement to Commodity Credit Corporation	29,671,679	24,453,099	47,630,000
Due Commodity Credit Corporation at end of year	88,803,121	85,446,022	118,754,022
Less—			
Amount recovered from permanent appropriation (70% of customs receipts)	29,671,679	24,453,099	47,630,000
Balance due Commodity Credit Corporation recoverable from subsequent year's customs receipts	34,678,343	13,362,923	21,624,022
Appropriation: 1959, 1960, and 1961	24,453,099	47,630,000	49,500,000

(10) *Loans to Secretary of Agriculture for conservation program.*—Under section 391 (c) of the Agricultural Act of 1938, as amended (7 U. S. C. 1391), the Corporation advances funds to the Secretary in amounts not to exceed $50 million annually to purchase conservation materials and services. Repayments of the loans plus interest are made as soon as practicable in the succeeding fiscal year from appropriated funds.

(11) *Military housing (Public Law 161, 84th Cong. (5 U. S. C. 171z–1)).*—During 1957 a contract was completed for the disposition of Commodity Credit Corporation-owned commodities valued at $50 million for the construction of military housing in France with foreign currencies obtained from this transaction. Proceeds from rental and quarters allowances will be paid by the Defense Department over a long period of years to reimburse the Corporation pursuant to Public Law 161.

(12) *Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.*—Public Law 85–96, approved July 10, 1957 (71 Stat. 290), authorizes the transfer of 50,000 bales of domestically grown extra long-staple cotton from the national stockpile to the Corporation for sale. Proceeds less costs incurred, including administrative expenses, are covered into the Treasury as miscellaneous receipts.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of soil bank program and transfer of long-staple cotton from national stockpile (see schedule).

FINANCING THE PROGRAMS

Financing.—The programs of the Commodity Credit Corporation are financed by capital stock, borrowings, guaranties to purchase notes or other obligations evidencing loans made by lending agencies, restoration of capital impairment, appropriations to reimburse the Corporation for costs of special activities, 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. 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 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 notes and other obligations evidencing loans made by lending agencies. A supplemental appropriation in 1959 to reimburse the Corporation for funds used for 1958 costs of special programs and certain advances to other agencies is proposed for later transmission.

On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960. However, there are so many uncontrollable factors affecting the programs of the Corporation involving crops which have not even been planted, that estimates of the use of borrowing authority are highly tentative.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF JUNE 30

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Statutory borrowing authority	$14,500	$14,500	$14,500
Deduct—			
Borrowings from Treasury:			
Enacted or recommended in this document	11,528	13,119	14,581
Proposed for later transmission under existing legislation	-------	-------	−575
Net borrowings from Treasury	11,528	13,119	14,006
Obligations to purchase loans held by lending agencies (guaranteed by Commodity Credit Corporation)	428	363	193
Total statutory borrowing authority outstanding	11,956	13,482	14,199
Net statutory borrowing authority available	2,544	1,018	301

NOTE.—This table does not reflect the following charges: Accounts payable, accrued liabilities, and obligations outstanding other than obligations to purchase loans held by banks. These do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or loans held by banks.

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

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 1958 were $1,535,424,413 provision for restoration of which is included in the 1960 estimates. A supplemental appropriation is anticipated in 1960 to partially restore the Corporation's estimated capital impairment as of June 30, 1959, and is shown under Proposed for later transmission.

Receipts from operations.—These include proceeds from sales of commodities, loan repayments, interest income, advances, reimbursements for special activities financed by the Corporation other than from special appropriations, and miscellaneous income, refunds, and collections.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Gross expenditures (funds applied):			
Price support program	$3,328,863,003	$5,112,352,945	$4,812,582,818
Less commodity transfers to—			
Special activities financed by Commodity Credit Corporation	757,792,062	532,376,750	626,175,750
Commodity export program	57,487,961	167,615,000	148,405,000
Price support program, net of transferred charges	2,513,582,980	4,412,361,195	4,038,002,068
Commodity export program: Expense	114,650,371	217,615,000	198,405,000
Storage facilities program:			
Acquisition of assets	9,433,403	49,190,828	41,210,000
Expense	133,712	200,000	175,000
Supply and foreign purchase program: Expense	2,855,706	581,615	449,867
Special milk program: Expense	68,243,023	74,341,900	74,341,900
Undistributed expenses:			
Administrative expense subject to limitation	33,875,335	39,532,000	41,594,000
Interest expense	420,888,876	150,000,000	375,000,000
Other	12,084,477	11,262,550	11,913,550
Total gross expenditures	3,175,747,883	4,955,085,088	4,781,091,385
Receipts from operations (funds provided):			
Price support program, net	1,897,487,256	1,484,203,712	1,567,851,932
Commodity export program: Revenue	13,630,199	14,400,000	14,400,000
Storage facilities program:			
Receipts from loans	10,013,147	12,550,000	13,550,000
Sale of bin sites	1,650		
Supply and foreign purchase program: Revenue	8,537,466	822,917	514,558
Special milk program: Revenue (recoveries)	2,103,837	1,226,027	1,108,900
Undistributed: Interest and other revenue	99,478,238	48,966,350	37,874,350
Decrease in selected working capital	91,001,379	201,071,304	192,357,000
Total receipts from operations	2,122,253,172	1,763,240,310	1,827,656,740
Budget expenditures, price support, supply, and related programs and special milk	1,053,494,711	3,191,844,778	2,953,434,645
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule)			
Gross expenditures (funds applied):			
Commodities transferred from price support program	$757,792,062	$532,376,750	$626,175,750
Other program and administrative expenses	695,668,053	924,597,180	821,161,335
Interest on balance recoverable	82,544,719	25,685,005	26,451,915
Increase in selected working capital (soil bank and other)	66,563,082	99,649,583	1,000,000
Loans for agricultural conservation purposes	37,700,000	37,500,000	9,500,000
Total gross expenditures	1,640,267,916	1,619,808,518	1,484,289,000
Receipts from operations (funds provided):			
Recovered from other than special appropriations to reimburse Commodity Credit Corporation	71,514,228	72,439,166	89,525,000
Repayment of loans for agricultural conservation purposes	16,200,000	22,500,000	37,500,000
Total receipts from operations	87,714,228	94,939,166	127,025,000
Budget expenditures, special activities financed by Commodity Credit Corporation	1,552,553,688	1,524,869,352	1,357,264,000
Total net budget expenditures	2,606,048,399	4,716,714,130	4,310,698,645

Revenue, Expense, and Retained Earnings

PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Price support program:			
Revenue	$2,459,498,066	$1,629,072,854	$2,106,034,382
Expense	3,466,047,032	2,428,135,261	3,107,276,050
Net loss (−) (realized)	−1,006,548,966	−799,062,407	−1,001,241,668
Increase (−) or decrease in allowance for losses (unrealized)	295,891,341	−550,863,252	−316,155,150
Net operating loss (−), price support program	−710,657,625	−1,349,925,659	−1,317,396,818
Commodity export program:			
Revenue	13,630,199	14,400,000	14,400,000
Expense	114,650,371	217,615,000	198,405,000
Net operating loss (−) (realized), commodity export program	−101,020,172	−203,215,000	−184,005,000
Storage facilities program: Expense: [1] Net operating loss (−) (realized), storage facilities program	−134,507	−200,000	−175,000
Supply and foreign purchase program:			
Revenue	8,537,397	822,917	514,558
Expense	2,748,529	782,649	464,450
Net operating income (realized), supply and foreign purchase program	5,788,868	40,268	50,108
Special milk program:			
Revenue	2,103,837	1,226,027	1,108,900
Expense	68,243,023	74,341,900	74,341,900
Net operating loss (−) (realized), special milk program	−66,139,186	−73,115,873	−73,233,000
Undistributed:			
Revenue	99,478,238	48,966,350	37,874,350
Expense	466,848,688	200,794,550	428,507,550
Net loss (−) (realized)	−367,370,450	−151,828,200	−390,633,200
Increase (−) or decrease in allowance for losses (unrealized)	1,074,176	2,564,318	−1,075,000
Net operating loss (−), undistributed	−366,296,274	−149,263,882	−391,708,200
Net loss (−) for the year:			
Realized	−1,535,424,413	−1,227,381,212	−1,649,237,760
Unrealized	296,965,517	−548,298,934	−317,230,150
Net loss (−) for the year, price support, supply, and related programs and special milk	−1,238,458,896	−1,775,680,146	−1,966,467,910

[1] Operation and maintenance costs applicable to owned structures are reflected as carrying charges on the commodities stored.

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Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK—continued			
Analysis of deficit (−):			
Deficit(−), beginning of year	−$5,712,600,490	−$5,711,270,715	−$5,726,550,975
Appropriation for restoration of capital impairment:			
Enacted or recommended in this document	1,239,788,671	1,760,399,886	1,535,424,413
Proposed for later transmission under existing legislation			575,000,000
Deficit (−), end of year, price support, supply, and related programs and special milk	−5,711,270,715	−5,726,550,975	−5,582,594,472
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION			
Revenue:			
Reimbursements received	71,514,228	72,439,166	89,525,000
Other revenue	25,785,851	107,385,491	45,932,000
Total revenue	97,300,079	179,824,657	135,457,000
Expense	1,536,004,834	1,482,658,935	1,473,789,000
Net loss (−) for the year, special activities financed by Commodity Credit Corporation	−1,438,704,755	−1,302,834,278	−1,338,332,000
Deficit (−), beginning of year	−3,176,751,119	−1,411,917,154	−1,353,543,522
Reimbursement from special appropriations, net (see schedule)	3,184,291,587	1,361,207,910	1,315,727,500
Return of funds by Secretary of Agriculture from soil bank programs (authorization to expend from public debt receipts)	19,247,133		
Deficit (−), end of year, special activities financed by Commodity Credit Corporation	−1,411,917,154	−1,353,543,522	−1,376,148,022
Total deficit (−), end of year, all transactions of Commodity Credit Corporation	−7,123,187,869	−7,080,094,497	−6,958,742,494

Financial Condition

Assets:			
Cash with Treasury and in banks	$26,961,333	$22,854,999	$25,308,267
Accounts receivable, net:			
Price support, supply, and related programs and special milk, net	320,113,770	179,290,000	142,204,000
Special activities financed by Commodity Credit Corporation	87,601		
Commodities under contract to purchase, net	29,164,000	13,428,000	13,428,000
Deferred and undistributed charges, net	6,100,175	4,775,000	5,566,000
Commodities for sale, net:			
Agricultural commodities	3,090,178,650	3,952,315,791	5,660,353,826
Strategic and critical materials	219,588,154	251,560,154	258,546,154
Total commodities for sale, net	3,309,766,804	4,203,875,945	5,918,899,980
Loans receivable, net:			
Price support and storage facilities loans	1,352,972,892	1,980,815,100	1,261,089,800
Loans for agricultural conservation purposes (special activities financed by Commodity Credit Corporation)	22,500,000	37,500,000	9,500,000
Total loans receivable, net	1,375,472,892	2,018,315,100	1,270,589,800
Amounts recoverable from other appropriations (special activities financed by Commodity Credit Corporation):			
Sales of surplus agricultural commodities for foreign currencies:			
Due from foreign currencies to be sold	106,829,253	146,564,600	156,461,600
Due from Department of Defense for use of foreign currencies in military housing construction	31,137,792	60,499,354	97,534,354
Subtotal	137,967,045	207,063,954	253,995,954
Other	11,511,418	49,800,000	48,800,000
Total amounts recoverable from subsequent appropriations	149,478,463	256,863,954	302,795,954

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Assets—Continued			
Land, structures, and equipment, net	$152,197,505	$173,917,505	$188,977,505
Total assets	5,369,342,543	6,873,320,503	7,867,769,506
Liabilities:			
Loans and certificates held by lending agencies	428,047,269	362,740,000	192,700,000
Other current liabilities:			
Price support, supply, and related programs and special milk	332,745,959	367,675,000	524,812,000
Special activities financed by Commodity Credit Corporation	103,737,184	4,000,000	3,000,000
Total liabilities	864,530,412	734,415,000	720,512,000
Government investment:			
Interest-bearing capital:			
Start of year	13,483,000,000	11,628,000,000	13,219,000,000
Borrowings from Treasury during year, net	−1,855,000,000	1,591,000,000	887,000,000
End of year	11,628,000,000	13,219,000,000	14,106,000,000
Deficit (−):			
Price support, supply, and related programs and special milk:			
Net realized deficit (−)	−3,295,824,299	−2,762,805,625	−2,301,618,972
Net unrealized deficit (−)	−2,415,446,416	−2,963,745,350	−3,280,975,500
Total deficit (−), price support, supply, and related programs and special milk	−5,711,270,715	−5,726,550,975	−5,582,594,472
Total deficit (−), special activities financed by Commodity Credit Corporation	−1,411,917,154	−1,353,543,522	−1,376,148,022
Total deficit (−)	−7,123,187,869	−7,080,094,497	−6,958,742,494
Total Government investment	4,504,812,131	6,138,905,503	7,147,257,506

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$44,682,341	$26,961,333	$22,854,999	$25,308,267
Budget authorization:				
Enacted or recommended in this document	1,117,000,000	2,972,000,000	1,381,000,000	
Proposed for later transmission under existing legislation				494,000,000
Total unexpended balance	1,161,682,341	2,998,961,333	1,403,854,999	519,308,267
Obligated balance, net:				
Current liabilities:				
Loans and certificates held by lending agencies	360,455,322	428,047,269	362,740,000	192,700,000
Other current liabilities:				
Price support, supply, and related programs and special milk	404,286,195	332,745,959	367,675,000	524,812,000
Special activities financed by Commodity Credit Corporation:				
Unused soil bank advance		39,096,119	4,000,000	3,000,000
Other	170,212,665	64,641,065		
Obligations other than liabilities:				
Price support, supply, and related programs and special milk:				
Purchase agreements outstanding	118,549,000	69,484,000	90,000,000	57,000,000
Unrecorded claims	1,620,880	1,913,324	2,400,000	3,300,000
Approved declarations of sales for export	46,480,091	24,218,901	23,450,000	24,150,000
Farm storage facility and equipment loan commitments	1,002,590	2,825,533	3,570,000	3,250,000
Total, price support, supply, and related programs and special milk	167,652,561	98,441,758	119,420,000	87,700,000

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Status of Certain Fund Balances—Continued

	1957 actual	1958 actual	1959 estimate	1960 estimate
Obligated balance, net—Continued				
Obligations other than liabilities—Con.				
Special activities financed by Commodity Credit Corporation:				
Letters of commitment	$195,060,792	$189,998,243	$191,400,000	$182,700,000
Approved declarations of sales for export	5,231,282	1,873,575		
Wool payment agreements	52,000,000	17,000,000	75,000,000	53,000,000
Total, special activities financed by Commodity Credit Corporation	252,292,074	208,871,818	266,400,000	235,700,000
Accounts receivable, net (—):				
Price support, supply, and related programs and special milk	—$418,732,246	—$320,113,770	—$179,290,000	—$142,204,000
Special activities financed by Commodity Credit Corporation		—87,601		
Foreign currencies for sale, net	—109,074,143	—106,829,253	—146,564,600	—156,461,600
Commitments included above which are reimbursable	—252,292,074	—208,871,818	—266,400,000	—235,700,000
Total obligated balance	574,800,354	535,941,546	527,980,400	509,546,400
Unobligated balance [1]	586,881,987	2,463,019,787	875,874,599	9,761,867

[1] Statutory obligations against borrowing authority 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.

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.

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

Recoverable from specific appropriations	*Balance recoverable as of July 1* [1]	*Special appropriations to reimburse Commodity Credit Corporation (net)* [2]	*Costs: Commodities transferred from price-support program*	*Costs: Other program and administrative expense*	*Costs: Interest on balance recoverable*	*Recovered from other than special appropriations*	*Net budget expenditures*	*Balance recoverable as of June 30* [1]: *Total*	*Balance recoverable as of June 30* [1]: *From special appropriations to reimburse Commodity Credit Corporation*	*Balance recoverable as of June 30* [1]: *From other appropriations*
"Reimbursement to Commodity Credit Corporation for costs of special activities."										
International Wheat Agreement:										
1958	$180,410,890	$182,926,942	$51,560,984	$27,166,436	$3,690,242		$82,417,662	$79,901,610	$79,901,610	
1959	79,901,610	80,800,000	38,500,000	24,900,000	1,373,390		64,773,390	63,875,000	63,875,000	
1960	63,875,000	63,875,000								
Emergency famine relief to friendly peoples:										
1958	216,743,176	220,244,906	88,102,981	27,898,030	5,444,617		121,445,628	117,943,898	117,943,898	
1959	117,943,898	119,270,000	63,399,500	40,330,500	2,104,102		105,834,102	104,508,000	104,508,000	
1960	104,508,000	104,508,000	54,555,500	38,444,500	1,395,000		94,395,000	94,395,000	94,395,000	
Sales of surplus agricultural commodities for foreign currencies:										
1958	2,014,621,362	1,927,841,000	534,256,189	554,751,485	55,710,312	$71,514,228	1,073,203,758	1,159,984,120	1,022,017,075	$137,967,045
1959	1,159,984,120	1,033,515,000	301,442,250	798,557,750	20,850,000	72,239,166	1,048,610,834	1,175,079,954	968,016,000	207,063,954
1960 [3]	1,175,079,954	968,016,000	346,620,250	703,379,750	22,000,000	88,525,000	983,475,000	1,190,588,954	936,543,000	253,995,954
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed:										
1958	4,609	4,609	18,506				18,506	18,506	18,506	
1959	18,506	18,506	35,000				35,000	35,000	35,000	
1960	35,000	35,000								
Transfer of bartered materials to supplemental stockpile:										
1958	217,343,078	218,946,145	83,853,402				83,853,402	82,250,335	82,250,335	
1959	82,250,335	82,250,335	129,000,000				129,000,000	129,000,000	129,000,000	
1960	129,000,000	129,000,000	225,000,000				225,000,000	225,000,000	225,000,000	
Animal disease eradication activities:										
1958	37,122,545	37,520,442		19,210,471	575,107		19,785,578	19,387,681	19,387,681	
1959	19,387,681	19,390,100		832,748	226,171		1,058,919	1,056,500	1,056,500	
1960	1,056,500	1,056,500								
Grading and classing activities:										
1958	1,424,876	1,209,003		1,343,963	35,092		1,379,055	1,594,928	1,594,928	
1959	1,594,928	1,510,870		1,502,600	20,342		1,522,942	1,607,000	1,607,000	
1960	1,607,000	1,607,000		1,452,085	3,915		1,456,000	1,456,000	1,456,000	
Subtotal:										
1958	2,667,670,536	2,588,693,047	757,792,062	630,370,385	65,455,370	71,514,228	1,382,103,589	1,461,081,078	1,323,114,033	137,967,045
1959	1,461,081,078	1,336,754,811	532,376,750	866,123,598	24,574,005	72,239,166	1,350,835,187	1,475,161,454	1,268,097,500	207,063,954
1960	1,475,161,454	1,268,097,500	626,175,750	743,276,335	23,398,915	88,525,000	1,304,326,000	1,511,389,954	1,257,394,000	253,995,954
"Reimbursement to Commodity Credit Corporation for costs incurred under soil bank program":										
1958	571,024,093	565,926,861			14,149,901	[19,247,133]	14,149,901			
"Reimbursement to Commodity Credit Corporation, National Wool Act":										
1958	61,292,352	29,671,679		54,243,000	2,939,448		57,182,448	88,803,121	88,803,121	
1959	88,803,121	24,453,099		19,985,000	1,111,000		21,096,000	85,446,022	85,446,022	
1960	85,446,022	47,630,000		77,885,000	3,053,000		80,938,000	118,754,022	118,754,022	
Total recoverable from specific appropriations:										
1958	3,299,986,981	3,184,291,587	757,792,062	684,613,385	82,544,719	71,514,228	1,453,435,938	1,549,884,199	1,411,917,154	137,967,04
1959	1,549,884,199	1,361,207,910	532,376,750	886,108,598	25,685,005	72,239,166	1,371,931,187	1,560,607,476	1,353,543,522	207,063,95
1960	1,560,607,476	1,315,727,500	626,175,750	821,161,335	26,451,915	88,525,000	1,385,264,000	1,630,143,976	1,376,148,022	253,995,95

See footnotes at end of table, p. 371.

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SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION—Continued

	Balance recoverable as of July 1 [1]	Special appropriations to reimburse Commodity Credit Corporation (net) [2]	Costs: Commodities transferred from price-support program	Costs: Other program and administrative expense	Costs: Interest on balance recoverable	Recovered from other than special appropriations	Net budget expenditures	Balance recoverable as of June 30 [1]: Total	Balance recoverable as of June 30 [1]: From special appropriations to reimburse Commodity Credit Corporation	Balance recoverable as of June 30 [1]: From other appropriations
Recoverable from other appropriations or funds										
Military housing (Public Law 161, barter and exchange):										
1958	$456,750			$11,054,668			$11,054,668	$11,511,418		$11,511,418
1959	11,511,418			38,488,582		$200,000	38,288,582	49,800,000		49,800,000
1960	49,800,000					1,000,000	−1,000,000	48,800,000		48,800,000
Total recoverable included in revenue and expense statement:										
1958	3,300,443,731	$3,184,291,587	$757,792,062	695,668,053	$82,544,719	71,514,228	1,464,490,606	1,561,395,617	$1,411,917,154	149,478,463
1959	1,561,395,617	1,361,207,910	532,376,750	924,597,180	25,685,005	72,439,166	1,410,219,769	1,610,407,476	1,353,543,522	256,863,954
1960	1,610,407,476	1,315,727,500	626,175,750	821,161,335	26,451,915	89,525,000	1,384,264,000	1,678,943,976	1,376,148,022	302,795,954
Changes in selected working capital										
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation:										
1958				−486,507			−486,507	−486,507		−486,507
1959	−436,507			486,507			486,507			
Soil bank:										
1958	−170,212,665			67,049,589			67,049,589	−103,163,076		−103,163,076
1959	−103,163,076			99,163,076			99,163,076	−4,000,000		−4,000,000
1960	−4,000,000			1,000,000			1,000,000	−3,000,000		−3,000,000
Total changes in selected working capital:										
1958	−170,212,665			66,563,082			66,563,082	−103,649,583		−103,649,583
1959	−103,649,583			99,649,583			99,649,583	−4,000,000		−4,000,000
1960	−4,000,000			1,000,000			1,000,000	−3,000,000		−3,000,000
Loans receivable										
Loans for agricultural conservation purposes:										
1958	1,000,000			37,700,000		16,200,000	21,500,000	22,500,000		22,500,000
1959	22,500,000			37,500,000		22,500,000	15,000,000	37,500,000		37,500,000
1960	37,500,000			9,500,000		37,500,000	−28,000,000	9,500,000		9,500,000
Total, special activities financed by Commodity Credit Corporation:										
1958	3,131,231,066	3,184,291,587	757,792,062	799,931,135	82,544,719	87,714,228	1,552,553,688	1,480,246,034	1,411,917,154	68,328,880
1959	1,480,246,034	1,361,207,910	532,376,750	1,061,746,763	25,685,005	94,939,166	1,524,869,352	1,643,907,476	1,353,543,522	290,363,954
1960	1,643,907,476	1,315,727,500	626,175,750	831,661,335	26,451,915	127,025,000	1,357,264,000	1,685,443,976	1,376,148,022	309,295,954

[1] Balances do not include amounts of obligations other than liabilities as follows:

	Balance as of June 30			
	1957 actual	1958 actual	1959 estimate	1960 estimate
International Wheat Agreement: Approved declarations of sales for export	$5,231,282	$1,873,575		
Sales of surplus agricultural commodities for foreign currencies: Letters of commitment	195,060,792	189,998,243	$191,400,000	$182,700,000
National Wool Act: Wool payment agreements	52,000,000	17,000,000	75,000,000	53,000,000
Total	252,292,074	208,871,818	266,400,000	235,700,000

[2] Amounts shown for fiscal year 1959 are proposed supplemental appropriations except National Wool Act which is a permanent appropriation.

[3] The extension and increase of the Agricultural Trade Development and Assistance Act of 1954, proposed for later transmission, is estimated to require other program costs of $50,000,000 which will result in a like increase in the balance recoverable as of June 30, 1960, from special appropriations to reimburse Commodity Credit Corporation.

NOTE.—Amount bracketed is not included in vertical totals.

LIMITATION ON ADMINISTRATIVE EXPENSES

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] *$45,300,000* shall be available for administrative expenses of the Corporation: *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, 1421–1432, 1441–1449, 1691–1694, 1701–1709, 1721–1724, 1741–1747, 1808, 1813, 1851–1854, 1856–1857, 1859–1860; 15 U. S. C. 712a, 713a–10, 714–714p; 31 U. S. C. 841, 846–852, 866–868c, 869; 50 U. S. C app. 1917; 71 Stat. 290, 632–633; 72 Stat. 241, 261–275, 276, 286–287, 296, 356, 532–535, 635, 646, 655, 988–996, 1790–1792; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Price support program	$30,597,145	$35,753,900	$37,815,900
2. Storage facilities program	1,590,279	1,855,000	1,855,000
3. Commodity export program	1,095,636	1,265,000	1,265,000
Subtotal	33,283,060	38,873,900	40,935,900
4. Special milk program	592,275	658,100	658,100
Total administrative expenses	33,875,335	39,532,000	41,594,000
Financing:			
Unobligated balance no longer available	1,522,665	535,000	3,706,000
Limitation	35,398,000	35,398,000	45,300,000
Proposed increase in limitation due to—			
Pay increases		2,669,000	
Increased program volume		2,000,000	

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5,094	5,071	5,493
Full-time equivalent of all other positions	61	80	80
Average number of all employees	4,285	4,748	5,227
Number of employees at end of year	4,273	4,612	5,077
Average GS grade and salary	5.9 $4,740	6.0 $5,312	6.0 $5,264
01 Personal services:			
Permanent positions	$20,399,832	$23,623,889	$25,306,810
Positions other than permanent	210,649	287,934	287,934
Other personal services	633,407	618,576	779,484
Total personal services	21,243,888	24,530,399	26,374,228
02 Travel	846,155	970,000	1,017,000
03 Transportation of things	161,652	175,000	167,000
04 Communication services	728,838	794,000	804,000
05 Rents and utility services	2,761,415	4,456,000	4,540,000
06 Printing and reproduction	997,668	1,108,000	1,113,000
07 Other contractual services	634,213	586,500	520,500
Services performed by other agencies	4,212,040	4,877,900	4,878,700
08 Supplies and materials	1,004,417	492,000	512,000
11 Grants, subsidies, and contributions	1,210,572	1,445,000	1,554,000
13 Refunds, awards, and indemnities	48,206	57,000	62,000
15 Taxes and assessments	26,271	40,201	51,572
Total obligations	33,875,335	39,532,000	41,594,000

Proposed for later transmission:

Under existing legislation, 1960.—On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960. In the event the program and financing develops as estimated, a supplemental appropriation is anticipated in the amount of $575 million, to partially restore the Corporation's capital impairment as of June 30, 1959. This amount is reflected in the Commodity Credit Corporation fund schedules.

Under proposed legislation, 1960.—As indicated in the budget message, legislation will be proposed to extend the terminal date of title I of Public Law 480 to December 31, 1960, and increase the authorization from $6.25 billion to $7.75 billion. It is estimated that this increase of $1.5 billion in the authorization will result in increased expenditures for the Commodity Credit Corporation of $50 million in 1960. It is further proposed to extend to December 31, 1960, title II of Public Law 480, which authorizes famine relief and other assistance to friendly peoples.

CORPORATIONS

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 [1959] *1960* for such corporation or agency, except as hereinafter provided: (*Department of Agriculture and Farm Credit Administration Appropriation Act, 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, 1959.*)

Appropriated 1959, **$6,376,700** Estimate 1960, **$6,376,700**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Underwriting and actuarial analysis	$806,953	$944,000	$1,004,000
2. Contract sales and servicing	4,824,333	4,783,000	4,577,000
3. Crop inspections and loss adjustments	742,193	649,700	795,700
Total program costs,[1]	6,373,479	6,376,700	6,376,700
4. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	3,221		
Total program (obligations)	6,376,700	6,376,700	6,376,700
Financing:			
Appropriation (new obligational authority)	6,376,700	6,376,700	6,376,700

[1] Includes capital outlay as follows: 1958, $52,719; 1959, $47,000; 1960, $47,000.

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.

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1957, $8,662; 1958, $11,883; 1959, $11,883; 1960, $11,883.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	596	599	600
Full-time equivalent of all other positions	184	291	258
Average number of all employees	686	806	795
Number of employees at end of year	736	872	872
Average GS grade and salary	5.6 $4,637	5.9 $5,244	5.8 $5,276
01 Personal services:			
Permanent positions	$2,540,967	$2,807,964	$2,935,248
Positions other than permanent	730,241	1,197,340	1,056,565
Other personal services	9,212	10,851	21,142
Total personal services	3,280,420	4,016,155	4,012,955
02 Travel	856,223	1,081,400	1,131,200
03 Transportation of things	13,853	20,800	20,800
04 Communication services	174,981	214,600	214,600
05 Rents and utility services	201,272	135,000	135,000
06 Printing and reproduction	88,005	100,000	100,000
07 Other contractual services	32,036	50,700	50,700
Agents' commissions	1,376,947	365,745	313,745
Services performed by other agencies	60,530	65,500	65,500
08 Supplies and materials	56,079	62,000	62,000
09 Equipment	59,819	50,000	50,000
11 Grants, subsidies, and contributions	154,892	183,300	192,000
13 Refunds, awards, and indemnities	4,170	5,000	5,000
15 Taxes and assessments	17,473	26,500	23,200
Total obligations	6,376,700	6,376,700	6,376,700

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed [$2,000,000] *$2,330,000* 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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Indemnities, by crop:			
Barley	$66,228	$120,000	$680,000
Beans	110,413	45,000	121,000
Citrus	688,587	10,000	150,000
Corn	1,025,425	927,000	3,078,000
Cotton	592,980	174,000	946,000
Flax	1,265,362	187,000	460,000
Grain sorghum			13,000
Multiple crops	2,785,014	651,000	924,000
Oats			256,000
Oranges		50,000	123,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Indemnities, by crop—Continued			
Peaches	$18,746	$38,000	$44,000
Soybeans	32,928	248,000	815,000
Tobacco	557,926	295,000	1,933,000
Wheat	4,858,873	1,498,000	11,462,000
Total indemnities	12,002,482	4,243,000	21,005,000
Inspection and adjustment costs	752,652	854,000	1,065,000
Administrative expenses	310,138	2,000,000	2,330,000
Proposed supplemental due to pay increases		330,000	
Other expense	263,761	277,000	300,000
Total program (costs—obligations)	13,329,033	7,704,000	24,700,000
Financing:			
Amounts becoming available:			
Insurance premiums, by crop:			
Barley	189,976	318,000	800,000
Beans	107,316	131,000	142,000
Citrus	95,249	149,000	175,000
Corn	2,230,075	2,080,000	3,600,000
Cotton	1,107,221	761,000	1,107,000
Flax	514,477	412,000	540,000
Grain sorghum			15,000
Multiple crops	3,346,342	2,061,000	1,080,000
Oats			300,000
Oranges		115,000	145,000
Peaches	37,397	49,000	51,000
Soybeans	50,421	501,000	953,000
Tobacco	1,628,660	1,649,000	2,259,000
Wheat	8,107,226	9,451,000	13,433,000
Total premiums	17,414,360	17,677,000	24,600,000
Interest and other income	100,778	115,000	100,000
Prior year adjustments	30,781		
Total amounts becoming available	17,545,919	17,792,000	24,700,000
Unobligated balance brought forward	21,538,134	25,755,020	35,843,020
Total amounts available	39,084,053	43,547,020	60,543,020
Unobligated balance carried forward	−25,755,020	−35,843,020	−35,843,020
Financing applied to program	13,329,033	7,704,000	24,700,000

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, 1958, the Secretary of the Treasury held receipts for $40 million of the authorized stock, leaving $60 million unissued.

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, the direct cost of adjusting losses, and part of the administrative and operating expenses. The annual appropriation for the major portion of the administrative and operating expenses of the Corporation is presented earlier in the budget.

Budget program.—The Corporation plans to continue the expansion of the program toward the final objective of a national program for all crops. For the 1959 crop year (fiscal year 1960), 192 new county programs have been allocated, principally in the midwestern area. Of the new county programs, 39 are being offered in new counties and 153 in counties where insurance was available the previous year. By commodities, the new programs for the 1959 crop year are as follows:

Soybeans	58	Cotton	17
Barley	38	Tobacco	7
Corn	35	Flax	4
Wheat	30	Grain sorghum	3

The following table indicates the scope of the insurance program for 1958, 1959, and 1960. Amounts in the 1958 column are actual and pertain to the 1957 crop year. The 1959 column pertains to the 1958 crop year, and reflects the favorable growing conditions which prevailed in 1958. The 1960 column, covering the 1959 crop year, is estimated on a basis similar to that used in establishing premium rates.

	1958 fiscal year (1957 crop year) actual	*1959 fiscal year (1958 crop year) estimate*	*1960 fiscal year (1959 crop year) estimate*
Number of commodities insured	21	21	22
Number of counties	818	830	830
Estimated insurance outstanding ($1,000), beginning of fiscal year	$242,100	$244,000	$310,000
Number of crops insured	[1] 307,604	324,435	380,000
Premiums ($1,000)	$17,414	$17,677	$24,600
Indemnities ($1,000)	$12,002	$4,243	$21,005
Loss ratio	.69	.24	.85

[1] Contracts in force.

Financing.—It is anticipated that the current net operating deficit will gradually be offset by annual surpluses from operations. Due to net income realized in 1958 and anticipated for 1959, no additional funds are requested for 1960. However, an increase from $2,000,000 to $2,330,000 in the amount of administrative and operating expenses which may be paid from capital funds is proposed for 1959 and 1960 for pay act costs of the Corporation.

Operating results and financial condition.—Preliminary estimates for the 1958 crop year (1959 fiscal year) show premiums of $17.7 million exceeding indemnities of $4.2 million by $13.4 million. This estimate is based on the assumption that normal growing conditions will prevail in insured areas during the remainder of the growing season. The following table summarizes the insurance operations for 1958, 1959, and 1960:

NET INCOME OR LOSS (−) ON INSURANCE OPERATIONS, BY COMMODITIES

[Fiscal years ending June 30, 1958, 1959, and 1960]

	1958 actual (1957 crop year)	*1959 estimate (1958 crop year)*	*1960 estimate (1959 crop year)*
Barley	$123,748	$198,000	$120,000
Beans	−3,097	86,000	21,000
Citrus	−593,338	139,000	25,000
Corn	1,204,650	1,153,000	522,000
Cotton	514,241	587,000	161,000
Flax	−750,885	225,000	80,000
Grain sorghum			2,000
Multiple crops	561,328	1,410,000	156,000
Oats			44,000
Oranges		65,000	22,000
Peaches	18,651	11,000	7,000
Soybeans	17,493	253,000	138,000
Tobacco	1,070,734	1,354,000	326,000
Wheat	3,248,353	7,953,000	1,971,000
Premium surplus	5,411,878	13,434,000	3,595,000
Inspection and adjustment costs (−)	−752,652	−854,000	−1,065,000
Administrative expenses chargeable to premium income (−)	−310,138	−2,330,000	−2,330,000
Other expense, net (−)	−132,202	−162,000	−200,000
Net income	4,216,886	10,088,000	

SUMMARY OF INSURANCE OPERATIONS AND ADMINISTRATIVE EXPENSES

Net income	$4,216,886	$10,088,000	
Funds appropriated for administrative costs	6,376,700	6,376,700	$6,376,700
Total surplus or deficit (−)	−2,159,814	3,711,300	−6,376,700

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FEDERAL CROP INSURANCE CORPORATION—Con.

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Indemnities	$12,002,482	$4,243,000	$21,005,000
Inspection and adjustment costs	752,652	864,000	1,065,000
Administrative expenses charged to program operations	310,138	2,330,000	2,330,000
Chargeoff of premiums and other receivables	814,408	100,000	100,000
Increase in selected working capital			200,000
Total gross expenditures	13,879,680	7,527,000	24,700,000
Receipts from operations (funds provided):			
Insurance premiums	17,414,360	17,677,000	24,600,000
Interest on premium notes	100,245	115,000	100,000
Other income	533		
Adjustment of prior years	30,781		
Decrease in selected working capital	1,202,407	2,289,711	
Total receipts from operations	18,748,326	20,081,711	24,700,000
Budget expenditures	−4,868,646	−12,554,711	

Revenue, Expense, and Retained Earnings

Income	$17,545,919	$17,792,000	$24,700,000
Expense	13,329,033	7,704,000	24,700,000
Net income for the year	4,216,886	10,088,000	
Deficit (−), beginning of year	−18,461,866	−14,244,980	−4,156,980
Deficit (−), end of year	−14,244,980	−4,156,980	−4,156,980

Financial Condition

Assets:			
Cash with Treasury	$26,636,889	$39,191,600	$39,191,600
Accounts receivable, net	5,095,693	4,956,097	4,971,097
Total assets	31,732,582	44,147,697	44,162,697
Liabilities:			
Current	5,977,562	8,304,677	8,319,677
Government investment:			
Non-interest-bearing capital	40,000,000	40,000,000	40,000,000
Deficit (−)	−14,244,980	−4,156,980	−4,156,980
Total Government investment	25,755,020	35,843,020	35,843,020

NOTE.—Excludes contingent liabilities representing actual and estimated insurance coverage on 1958, 1959, and 1960 crops in the following amounts: June 30, 1958, $244,000,000, 1959, $310,000,000, and 1960, $328,000,000.

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$21,768,243	$26,636,889	$39,191,600	$39,191,600
Obligated balance, net:				
Current liabilities	3,768,795	5,977,562	8,304,677	8,319,677
Accounts receivable, net (−)	−3,538,686	−5,095,693	−4,956,097	−4,971,097
Total obligated balance	230,109	881,869	3,348,580	3,348,580
Unobligated balance	21,538,134	25,755,020	35,843,020	35,843,020

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	111	124	149
Number of employees at end of year	492	500	500
01 Personal services: Positions other than permanent	$449,286	$521,000	$624,000
02 Travel	293,257	321,000	427,000
07 Other contractual services: Agents' commissions	310,138	2,330,000	2,330,000
13 Refunds, awards, and indemnities	12,002,482	4,243,000	21,005,000
15 Taxes and assessments	10,109	12,000	14,000
Undistributed	263,761	277,000	300,000
Total obligations	13,329,033	7,704,000	24,700,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Underwriting and actuarial analysis	$171	$200	
2. Contract sales and servicing	1,503	1,800	
3. Crop inspections and loss adjustments	338	500	
Total obligations	2,012	2,500	
Financing:			
Advances and reimbursements from—			
Other accounts	1,511	1,000	
Non-Federal sources (40 U. S. C. 481 (c))	501	1,500	
Total financing	2,012	2,500	

Object Classification

Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$501		
06 Printing and reproduction	501	$1,000	
09 Equipment	998	1,500	
15 Taxes and assessments	12		
Total obligations	2,012	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, [$317,000,000] *$136,000,000*; and rural telephone program, [$67,500,000] *$79,000,000*; and additional amounts, not to exceed $25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year [1959] *1960* under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Rural electrification	$241,636,869	$275,000,000	$245,000,000
2. Rural telephone	89,238,000	98,000,000	80,000,000
Total obligations	330,874,869	373,000,000	325,000,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	−171,570,037	−67,628,340	−107,353,340
Recovery of prior year obligations	−7,933,172	−3,225,000	−3,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	67,628,340	107,353,340	353,340
Unobligated balance of public debt receipts (reserve authorization available during year)	20,000,000		
Authorization to expend from public debt receipts (new obligational authority)	239,000,000	409,500,000	215,000,000

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 tele-

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phone service in rural areas. Funds for making loans are borrowed from the Secretary of the Treasury.

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, 1958, about 95.4% of the farms were electrified. The major need for loan funds continues to be for system improvements and the generation of power to satisfy the steadily increasing requirements of consumers.

STATUS OF THE ELECTRIFICATION PROGRAM

Program Financing

	1958 actual	*1959 estimate*	*1960 estimate*
Loan funds available:			
New loan authorization (including reserves)	$179,000,000	$342,000,000	$161,000,000
Carryover from prior year	139,972,861	63,350,637	107,350,637
Rescissions of prior loans	6,014,645	2,000,000	2,000,000
Total loan funds available	324,987,506	407,350,637	270,350,637
Less—			
Loans approved	241,636,869	275,000,000	245,000,000
Reserves not used	20,000,000	25,000,000	25,000,000
Balance to next year	63,350,637	107,350,637	350,637

Program Statistics

Cumulative net loans	$3,772,577,652	$4,045,577,652	$4,288,577,652
Cumulative funds advanced	$3,146,545,731	$3,366,545,731	$3,591,545,731
Unadvanced funds, end of year	$626,031,921	$679,031,921	$697,031,921
Cumulative principal repaid	$674,621,932	$770,266,932	$869,206,932
Cumulative interest paid	$327,959,177	$372,794,177	$425,674,177
Cumulative miles energized	1,414,034	1,434,000	1,454,000
Cumulative consumers served	4,521,997	4,632,000	4,742,000
Number of borrowers	1,080	1,082	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 Census of Agriculture showed 38.2% of all farms with telephone service, fewer in both number and percentage than in 1920. Approximately 60% of the farms now have telephone service. Cumulative Rural Electrification Administration loans through June 30, 1958, will eventually provide initial or improved service to an estimated 1,020,454 rural subscribers.

STATUS OF THE TELEPHONE PROGRAM

Program Financing

	1958 actual	*1959 estimate*	*1960 estimate*
Loan funds available:			
New loan authorization (including reserves)	$60,000,000	$92,500,000	$104,000,000
Carryover from prior year	31,597,176	4,277,703	2,703
Rescissions of prior loans	1,918,527	1,225,000	1,000,000
Total loan funds available	93,515,703	98,002,703	105,002,703
Less—			
Loans approved	89,238,000	98,000,000	80,000,000
Reserves not used	----------	----------	25,000,000
Balance to next year	4,277,703	2,703	2,703

Program Statistics

Cumulative net loans	$478,459,015	$575,234,015	$654,234,015
Cumulative funds advanced	$309,608,665	$404,608,665	$504,608,665
Unadvanced funds, end of year	$168,850,350	$170,625,350	$149,625,350
Cumulative principal repaid	$7,863,513	$11,738,513	$17,148,513
Cumulative interest paid	$5,545,439	$9,290,439	$15,260,439
Route miles of line constructed or improved, cumulative	144,556	190,000	235,000
Subscribers served, new and improved service, cumulative (estimated)	597,000	797,000	997,000
Number of borrowers	611	681	751

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
For the fiscal year:			
Lending operations:			
Interest income	$53,685,152	$57,688,600	$62,235,900
Expense:			
Interest expense (statutory rates) [1]	52,154,932	56,073,300	60,951,300
Provision for possible losses on loans	860,521	1,036,000	1,111,000
Total expense	53,015,453	57,109,300	62,062,300
Net difference [1]	669,699	579,300	173,600
Administrative expenses (provided by annual appropriations): Salaries and expenses	9,067,861	9,614,026	9,632,000
Cumulative to end of fiscal year:			
Lending operations:			
Interest income	470,941,022	528,629,622	590,865,522
Expense:			
Interest expense (statutory rates) [1]	413,735,097	469,808,397	530,759,697
Provision for possible losses on loans	8,164,132	9,200,132	10,311,132
Losses on foreclosed loans	44,478	44,478	44,478
Total expense	421,943,707	479,053,007	541,115,307
Net difference [1]	48,997,315	49,576,615	49,750,215
Administrative expenses (provided by annual appropriations): Salaries and expenses	115,794,850	125,408,876	135,040,876

[1] Does not take into consideration the interest costs incurred by Treasury in excess of the amount received from Rural Electrification Administration for funds made available to finance Rural Electrification Administration lending programs.

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Loans and interest receivable, net	$2,902,896,749	$3,130,649,327	$3,363,974,227
Cash on hand	1,961,726	500,000	500,000
Cash on deposit with Treasury	15,548,728	10,208,374	10,208,374
Travel advances to employees and miscellaneous receivables	111,536	104,500	104,500
Total assets	2,920,518,739	3,141,462,201	3,374,787,101
Liabilities:			
Current	1,124,310	789,300	789,300
Government investment:			
Borrowings from Treasury	2,727,751,650	2,948,463,200	3,181,614,500
Appropriated administrative funds, net	115,820,448	125,422,096	135,054,096
Appropriated loan funds, net	142,619,866	142,619,866	142,619,866
Net difference between income and expense (see above)	48,997,315	49,576,615	49,750,215
Administrative expenses (−)	−115,794,850	−125,408,876	−135,040,876
Total Government investment	2,919,394,429	3,140,672,901	3,373,997,801

NOTE.—Undisbursed loan commitments outstanding are as follows: June 30, 1957, $760,132,879; 1958, $794,882,271; 1959, $849,657,271; 1960, $846,657,271.

Object Classification

	1958 actual	1959 estimate	1960 estimate
16 Investments and loans	$330,874,869	$373,000,000	$325,000,000

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), [$9,019,000] *$9,632,000. (5 U. S. C. 511–512; 7 U. S. C. 901–924; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$9,019,000** Estimate 1960, **$9,632,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration of rural electrification program	$4,541,028	$4,770,700	$4,770,700
2. Administration of rural telephone program	4,497,519	4,861,300	4,861,300

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RURAL ELECTRIFICATION ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
3. 1959 program obligated in 1958	$30,352	−$30,352	
Total obligations	9,068,899	9,601,648	$9,632,000
Financing:			
1959 appropriation available in 1958	−30,352	30,352	
Unobligated balance no longer available	17,858		
New obligational authority	9,056,405	9,632,000	9,632,000
New obligational authority:			
Appropriation	$9,030,950	$9,019,000	$9,632,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	25,455		
Appropriation (adjusted)	9,056,405	9,019,000	9,632,000
Proposed supplemental due to pay increases		613,000	

The Administration makes 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,069	1,069	1,069
Full-time equivalent of all other positions	3	3	3
Average number of all employees	1,002	1,019	1,011
Number of employees at end of year	1,044	991	991
Average GS grade and salary	9.2 $6,628	9.2 $7,361	9.2 $7,391
01 Personal services:			
Permanent positions	$6,967,931	$7,541,605	$7,512,525
Positions other than permanent	39,122	45,000	45,000
Other personal services	33,995	32,875	61,955
Total personal services	7,041,048	7,619,480	7,619,480
02 Travel	1,054,117	1,055,000	1,058,230
03 Transportation of things	28,765	29,000	29,000
04 Communication services	109,654	113,000	113,000
05 Rents and utility services	31,570	12,780	12,780
06 Printing and reproduction	100,992	98,000	98,000
07 Other contractual services	45,026	41,600	41,600
Services performed by other agencies	41,337	40,700	40,700
08 Supplies and materials	50,212	45,000	45,000
09 Equipment	88,950	83,230	80,000
11 Grants, subsidies, and contributions	430,655	478,250	478,250
13 Refunds, awards, and indemnities	13,685	13,000	13,000
15 Taxes and assessments	2,536	2,960	2,960
1959 program obligated in 1958	30,352	−30,352	
Total obligations	9,068,899	9,601,648	9,632,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration of rural electrification program	$6,883	$1,990	
2. Administration of rural telephone program	6,933	2,010	
Total obligations	13,816	4,000	
Financing:			
Advances and reimbursements from—			
Other accounts	$4,976	$4,000	
Non-Federal sources (40 U. S. C. 481 (c))	8,840		
Total financing	13,816	4,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of employees	1	1	
Number of employees at end of year	0	0	
Average GS grade and salary	4.8 $4,252	4.4 $4,535	
01 Personal services: Permanent positions	$4,656	$4,000	
09 Equipment	8,840		
11 Grants, subsidies, and contributions	320		
Total obligations	13,816	4,000	

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 and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, [$24,000,000] *$12,000,000*, 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 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] *$160,000,000*; the Act of August 28, 1937, as amended, [$5,500,000] *$1,000,000*: *Provided*, That not to exceed the foregoing several amounts 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[: *Provided further*, That an additional amount, not to exceed $20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1959 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed $5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended]. (*72 Stat. 840–843; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.*)

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Farm ownership loans	$23,998,086	$24,000,000	$12,000,000
2. Farm operating loans	175,789,583	180,000,000	160,000,000
3. Soil and water conservation loans	4,563,096	5,500,000	1,000,000
4. Farm housing loans	33,065,871	60,000,000	12,000,000
Total obligations	237,416,636	269,500,000	185,000,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	−430,139,387	−397,459,316	−337,459,316
Recovery of prior year obligations	−385,800		
Unobligated balance carried forward (authorization to expend from public debt receipts)	397,459,316	337,459,316	325,459,316
Unobligated balance no longer available	5,149,235		
Authorization to expend from public debt receipts (new obligational authority)	209,500,000	209,500,000	173,000,000

The Administration makes and insures loans to farmers unable to secure credit from other sources at reasonable rates.

The total borrowing authorization requested for loans amounts to $173,000,000 a reduction of $36,500,000 below the regular authorization for 1959. The amount of $20,000,000 available in 1959 as a contingency authorization for farm ownership and farm operating loans, will not be required in 1960. It is proposed to borrow $12,000,000 in 1960 under existing authority for farm housing loans.

In addition to the direct loans, farm ownership and soil and water conservation loans advanced by private lenders will be insured within the annual statutory insurance authority of $125 million for farm ownership and $25 million for soil and water conservation loans. Contingent liabilities for these insured loans are reflected in the farm tenant mortgage insurance fund schedules.

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 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

	1958 actual		*1959 estimate*		*1960 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Number of applications	23,071		23,675		18,700	
Direct loans	1,865	$23,998,086	1,860	$24,000,000	1,051	$12,000,000
Insured loans	2,025	26,270,172	3,210	42,000,000	3,125	42,000,000

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

	1958 actual	*1959 estimate*	*1960 estimate*
Number of applications	121,021	110,610	102,610
Number of loans	76,876	76,020	69,985
Amount	$175,789,583	$180,000,000	$160,000,000

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 farm land 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

	1958 actual		*1959 estimate*		*1960 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Number of applications	1,989		1,800		1,700	
Direct loans:						
To individuals	593	$2,840,197	925	$4,460,000	165	$740,000
To groups	40	1,722,899	25	1,040,000	10	260,000
Insured loans:						
To individuals	217	943,400	670	2,940,000	670	2,940,000
To groups	6	226,900	50	2,060,000	50	2,060,000

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 $12,000,000 under continuing authority of $450,000,000 of which a balance of $337,459,316 is estimated to be available at June 30, 1959.

FARM HOUSING LOANS

	1958 actual	*1959 estimate*	*1960 estimate*
Number of applications	15,326	24,040	18,040
Number of loans	4,944	8,710	1,915
Amount	$33,065,871	$60,000,000	$12,000,000

COLLECTIONS OF PRINCIPAL AND INTEREST

Direct farm ownership loans	$24,058,041	$26,860,000	$28,095,000
Farm operating loans	176,700,356	171,034,000	179,124,000
Direct soil and water conservation loans	3,768,493	4,020,000	4,185,000
Farm housing loans	11,224,511	14,400,000	19,600,000
Total	215,751,401	216,314,000	231,004,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
For the fiscal year:			
Lending operations:			
Income:			
Interest on loans	$32,333,279	$34,608,000	$36,324,000
Other income	188,294	17,000	23,000
Total income	32,521,573	34,625,000	36,347,000
Expense:			
Interest on borrowings	6,177,545	7,900,000	9,100,000
Losses and writeoffs	16,615,939	14,700,000	11,643,000
Other expense	79,936		
Increase or decrease (−) in allowance for losses:			
Loans	−1,736,206	−172,637	346,270
Interest and other	−5,143,774	−3,564,036	−1,516,500
Depreciation	6,780		
Adjustment of prior year expense	−2,241,946		
Total expense	13,758,274	18,863,327	19,572,770
Net income from lending operations [1]	18,763,299	15,761,673	16,774,230
Administrative expenses (provided by annual appropriations)	29,908,557	31,258,253	31,300,000
Cumulative to end of fiscal year:			
Lending operations:			
Net results of prior year operations [1]	130,888,021	149,651,320	165,412,993
Net income for the year [1]	18,763,299	15,761,673	16,774,230
Total lending operations [1]	149,651,320	165,412,993	182,187,223
Administrative expenses (provided by annual appropriations):			
Prior year expense	289,729,846	319,638,403	350,896,656
For the year	29,908,557	31,258,253	31,300,000
Total administrative expenses	319,638,403	350,896,656	382,196,656

[1] Does not take into consideration the interest costs incurred by Treasury on loan funds appropriated to Farmers' Home Administration.

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FARMERS' HOME ADMINISTRATION—Continued

Current authorizations—Continued

LOAN AUTHORIZATIONS—Continued

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash	$23,277,775	$16,714,380	$18,945,380
Interest on loans and accounts receivable, net	23,332,180	24,875,659	26,335,659
Other current assets	190,496	190,496	190,496
Total current assets	46,800,451	41,780,535	45,471,535
Loans receivable	767,276,894	847,312,394	825,073,394
Allowance for losses on loans receivable (−)	−82,282,639	−82,110,002	−82,456,272
Fixed property and equipment, net	2,486,250	2,486,250	2,486,250
Judgments and acquired security, net	1,288,439	1,382,996	1,445,496
Total assets	735,569,395	810,852,173	792,020,403
Liabilities:			
Current	4,368,046	2,787,299	2,785,299
Government investment:			
Borrowing from Treasury	248,651,383	309,711,488	274,107,488
Appropriations	465,670,476	496,970,476	528,270,476
Assets taken over from prior agencies, net	438,126,994	438,126,994	438,126,994
Results from lending operations, net	149,651,320	165,412,993	182,187,223
Administrative expenses (−)	−319,638,403	−350,896,656	−382,196,656
Deposit of general and special fund revenue (−)	−251,260,421	−251,260,421	−251,260,421
Total Government investment	731,201,349	808,064,874	789,235,104

Object Classification

16 Investments and loans	$237,416,636	$269,500,000	$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] *$31,300,000,* together with a transfer of not to exceed [$1,000,000] *$1,100,000* 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, 1959.)*

Appropriated 1959, **$29,089,500** Estimate 1960, **$31,300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration of direct and insured loan programs	$30,971,579	$32,300,000	$32,300,000
2. 1959 program obligated in 1958	41,747	−41,747	
Total obligations	31,013,326	32,258,253	32,300,000
Financing:			
1959 appropriation available in 1958	−41,747	41,747	
Advances from "Farm tenant-mortgage insurance fund"	−776,000	−1,000,000	−1,000,000
Unobligated balance no longer available	18,021		
New obligational authority	30,213,600	31,300,000	31,300,000
New obligational authority:			
Appropriation	$29,089,500	$29,089,500	$31,300,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	1,124,100		
Appropriation (adjusted)	30,213,600	29,089,500	31,300,000
Proposed supplemental due to pay increases		2,210,500	

These moneys 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 under Loan authorizations.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	4,843	4,746	4,668
Full time equivalent of all other positions	467	449	450
Average number of all employees	5,081	5,068	5,002
Number of employees at end of year	10,371	10,200	10,160
Average GS grade and salary	6.0 $4,789	6.3 $5,330	6.3 $5,361
01 Personal services:			
Permanent positions	$23,261,833	$24,671,815	$24,490,675
Positions other than permanent	735,267	690,000	691,000
Other personal services	193,556	199,700	293,500
Total personal services	24,190,656	25,561,515	25,475,175
02 Travel	2,815,168	2,875,000	2,945,000
03 Transportation of things	116,463	125,000	115,000
04 Communication services	559,800	620,000	620,000
05 Rents and utility services	848,375	935,000	945,000
06 Printing and reproduction	143,153	150,000	150,000
07 Other contractual services	227,304	239,395	242,115
Services performed by other agencies	14,830	15,000	15,000
08 Supplies and materials	131,661	115,000	115,000
09 Equipment	461,522	50,000	70,000
11 Grants, subsidies, and contributions	1,432,930	1,583,855	1,577,495
13 Refunds, awards, and indemnities		200	200
Awards for employee suggestions	21,095	20,000	20,000
15 Taxes and assessments	8,622	10,035	10,015
1959 program obligated in 1958	41,747	−41,747	
Total obligations	31,013,326	32,258,253	32,300,000

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:
"Mutual security," funds appropriated to the President.
"Watershed protection," Soil Conservation Service.

Public enterprise funds:

DISASTER LOANS, ETC., REVOLVING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital outlay (obligations):			
1. Loan commitments:			
(a) Production emergency loans	$51,020,407	$45,000,000	$45,500,000
(b) Economic emergency loans	3,558,170	2,500,000	1,000,000
(c) Special livestock loans	5,407,160	5,000,000	2,500,000
(d) Special emergency loans	3,898,539	6,000,000	
(e) Other loans	109,333		
2. Judgments and collateral acquired	26,464	33,000	48,400
Total, capital outlay	64,020,073	58,533,000	49,048,400
Operations (obligations):			
3. Emergency hay and roughage assistance	231,204		
4. Administrative expenses	4,100,227	4,414,200	4,299,200
5. Other expense	281,872	311,004	379,400
Total, operations	4,613,303	4,725,204	4,678,600
Total program (obligations)	68,633,376	63,258,204	53,727,000
Financing:			
Amounts becoming available: Revenues and receipts:			
Repayments on loans	69,570,790	61,135,000	58,476,000
Proceeds from sale of acquired chattels	5,413		
Payments on judgments	65,245	100,000	140,000
Interest revenue	3,638,729	3,470,200	3,320,250
Other revenue	4,711	1,800	2,000
Total amounts becoming available	73,284,888	64,707,000	61,938,250
Unobligated balance brought forward	33,679,051	38,330,563	39,779,359
Total amounts available	106,963,939	103,037,563	101,717,609
Unobligated balance carried forward	−38,330,563	−39,779,359	−47,990,609
Financing applied to program	68,633,376	63,258,204	53,727,000

Purpose and financial organization.—This fund finances loans to farmers and stockmen in the event of disasters and

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other emergencies, in areas where agricultural credit is not readily available. The fund is also available within statutory limits for emergency assistance in furnishing feed and seed in areas suffering major disasters. The fund 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.

(*b*) *Economic emergency loans.*—Loans are made at 3% interest in any economic disaster area declared by the President.

(*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 had a reasonable chance of working out their difficulties with supplementary financing. Supplemental loans may be made for an additional 4 years after July 14, 1957, to individuals already indebted.

(*d*) *Special emergency loans.*—The authority to make special emergency loans up to a total of $65 million will expire on June 30, 1959.

(*e*) *Other loans.*—Until June 30, 1958, loans at 5% interest were made to bona fide fur farmers 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 a similar program was not conducted in 1958 and none is anticipated in 1959 or 1960.

4. *Administrative expenses.*—The principal administrative expenses in each of the 3 years are related to the loan programs of the Farmers' Home Administration. These expenses are estimated at $4,024,200 in both 1959 and 1960. Administrative expenses of the Commodity Stabilization Service are estimated at $390,000 in 1959 and $275,000 in 1960, all in connection with final audit of the emergency feed program conducted in previous years.

Financing the budget program.—No new budgetary authorization is required for 1960. Although a net loss of $4 million is estimated on an accrual basis, net receipts of $8.0 million are anticipated on a cash basis due to repayment of loans exceeding acquisitions.

During 1960, the program is wholly financed by receipts from operations.

Operating results and financial condition.—Revenue for 1960, consisting principally of interest on loans, is estimated at $3.3 million, compared to expenses of $7.3 million, resulting in an estimated loss of $4 million. Net loss of $3.6 million is estimated for 1959, and a net loss of $2.9 million resulted in 1958 due primarily to losses on the loan programs.

Loans receivable, after allowance for losses, are expected to amount to $68.2 million on June 30, 1960, as compared with $80.6 million at June 30, 1959, and $85.2 million on June 30, 1958.

The Government investment at June 30, 1960, is expected to be $117.1 million, consisting of $205.9 million appropriated and donated, less a deficit of $88.8 million.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$64,462,633	$58,845,511	$48,897,000
Acquisitions in lieu of interest receivable:			
Collateral	1,344	1,000	1,400
Judgments taken	25,120	32,000	47,000
Expense	4,489,867	4,583,200	4,531,200
Increase in selected working capital		548,750	499,150
Total gross expenditures	68,978,964	64,010,461	53,975,750
Receipts from operations (funds provided):			
Loan program:			
Repayments on loans	69,570,790	61,135,000	58,476,000
Acquired security or collateral	5,413		
Repayments on judgments	65,245	100,000	140,000
Revenue	3,643,440	3,472,000	3,322,250
Decrease in selected working capital	358,504		
Total receipts from operations	73,643,392	64,707,000	61,938,250
Budget expenditures	−4,664,428	−696,539	−7,962,500

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$3,643,440	$3,472,000	$3,322,250
Expense	6,565,026	7,026,241	7,322,600
Net operating loss (−)	−2,921,586	−3,554,241	−4,000,350
Nonoperating income:			
Proceeds from disposition of collateral:			
Cash sales	5,413		
Exchanged for loans receivable	22,550	18,000	24,000
Total proceeds from disposition of collateral	27,963	18,000	24,000
Net book value of assets sold (−)	−19,984	−15,000	−20,000
Net gain from disposition of collateral	7,979	3,000	4,000
Miscellaneous nonoperating income	304		
Net nonoperating income	8,283	3,000	4,000
Net loss (−) for the year	−2,913,303	−3,551,241	−3,996,350
Deficit (−), beginning of year	−78,324,443	−81,237,746	−84,788,987
Deficit (−), end of year	−81,237,746	−84,788,987	−88,785,337

Financial Condition

Assets:			
Cash with Treasury	$32,697,664	$33,394,203	$41,356,703
Accounts receivable, net	6,958,615	7,222,561	7,594,511
Loans receivable, net	85,241,884	80,567,108	68,226,108
Acquired security or collateral	40,837	36,837	34,237
Judgments, net	158,604	182,854	215,854
Total assets	125,097,604	121,403,563	117,427,413
Liabilities:			
Current	477,205	334,405	354,605
Government investment:			
Non-interest-bearing capital	205,858,145	205,858,145	205,858,145
Deficit (−)	−81,237,746	−84,788,987	−88,785,337
Total Government investment	124,620,399	121,069,158	117,072,808

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$28,033,236	$32,697,664	$33,394,203	$41,356,703
Obligated balance, net:				
Current liabilities	1,065,906	477,205	334,405	354,605
Undisbursed loan commitments	1,317,535	848,511	503,000	606,000
Accounts receivable, net	−8,029,256	−6,958,615	−7,222,561	−7,594,511
Total obligated balance	−5,645,815	−5,632,899	−6,385,156	−6,633,906
Unobligated balance	33,679,051	38,330,563	39,779,359	47,990,609

Object Classification

	1958 actual	1959 estimate	1960 estimate
FARMERS' HOME ADMINISTRATION			
Total number of permanent positions	572	561	559
Full-time equivalent of all other positions	152	141	137

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FARMERS' HOME ADMINISTRATION—Continued

Public enterprise funds—Continued

DISASTER LOANS, ETC., REVOLVING FUND—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
FARMERS' HOME ADMINISTRATION—con.			
Average number of all employees	711	699	694
Number of employees at end of year	656	625	625
Average GS grade and salary	5.3 $4,463	5.6 $5,056	5.6 $5,080
01 Personal services:			
Permanent positions	$2,625,252	$2,821,380	$2,828,800
Positions other than permanent	608,695	619,700	598,200
Other personal services	19,779	20,420	32,400
Total personal services	3,253,726	3,461,500	3,459,400
02 Travel	313,472	320,000	322,000
04 Communication services	33		
06 Printing and reproduction	5,156	7,000	7,000
07 Other contractual services	8,366	9,600	9,600
Services performed by other agencies	95		
11 Grants, subsidies, and contributions	394,687	180,700	181,000
15 Taxes and assessments	13,094	16,200	16,000
16 Investments and loans	64,020,073	58,533,000	49,048,400
Undistributed charges	281,872	311,004	379,400
Total, Farmers' Home Administration	68,290,574	62,839,004	53,422,800
ALLOTMENT ACCOUNTS			
Total number of permanent positions	42	22	19
Full-time equivalent of all other positions	1	1	1
Average number of all employees	41	22	19
Number of employees at end of year	30	15	12
Average GS grade and salary	6.0 $4,787	6.1 $5,391	6.2 $5,351
01 Personal services:			
Permanent positions	$263,813	$202,035	$166,435
Positions other than permanent	1,689	2,900	2,800
Other personal services	4,356	2,400	2,200
Total personal services	269,858	207,335	171,435
02 Travel	98,966	61,500	49,300
03 Transportation of things	1,023	1,100	900
04 Communication services	2,891	2,500	2,000
05 Rents and utility services	37		
06 Printing and reproduction	15,126	3,800	3,100
07 Other contractual services	997	900	700
Advanced to—			
"Local administration, sec. 388, Agricultural Adjustment Act of 1938 (7 U. S. C. 1388)"		77,500	35,000
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U. S. C. 1932)	60,698	49,500	29,000
Other	620	500	400
08 Supplies and materials	1,400	1,200	1,000
09 Equipment	2,494	3,600	2,900
11 Grants, subsidies, and contributions	1,607	9,265	8,065
13 Refunds, awards, and indemnities	456	300	200
15 Taxes and assessments	1,579	200	200
Undistributed charges	−114,950		
Total, allotment accounts	342,802	419,200	304,200
Total obligations	68,633,376	63,258,204	53,727,000
Obligations are distributed as follows:			
Farmers' Home Administration	$68,290,574	$62,839,004	$53,422,800
Commodity Stabilization Service	315,078	390,000	275,000
Office of the General Counsel	27,724	29,200	29,200

FARM TENANT-MORTGAGE INSURANCE FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital outlay:			
Loans made—			
For payment of delinquent installments	$1,686,385	$1,320,000	$1,600,000
For other advances	123,274	136,204	150,000
From fund for later sale		4,000,000	7,000,000
Purchase of loans from lenders	15,627,470	9,250,000	4,280,000
Collateral acquired by default	17,347		
Judgments acquired	159		
Total, capital outlay	17,454,635	14,706,204	13,030,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Operations:			
Administrative expenses	$776,000	$1,000,000	$1,000,000
Costs incident to acquired real estate	3,212	3,000	5,000
Writeoffs—interest and accounts receivable	270	200	200
Interest on borrowings from Treasury	298,626	150,000	170,000
Total, operations	1,078,108	1,153,200	1,175,200
Total program (obligations)	18,532,743	15,859,404	14,205,200
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts		3,400,000	
Revenue and receipts:			
Repayments on advances and loans held	2,853,886	2,190,000	2,305,000
Sale of loans	18,752,279	8,200,000	10,000,000
Proceeds from sale of acquired real estate	66,450	100,000	120,000
Insurance premiums	1,801,615	2,080,000	2,240,000
Interest income	434,024	370,000	440,000
Fees and other income	38,274	50,000	55,000
Cancellation of prior year obligations	12,330		
Total amounts becoming available	23,958,858	16,390,000	15,160,000
Repayment of borrowings to Treasury (no longer available) (−)	−5,240,000		−750,000
Unobligated balance brought forward	2,650,662	2,836,777	3,367,373
Total amounts available	21,369,520	19,226,777	17,777,373
Unobligated balance carried forward	−2,836,777	−3,367,373	−3,572,173
Financing applied to program	18,532,743	15,859,404	14,205,200

Purpose and financial organization.—This fund, authorized in the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1005 (a)), relates to insured farm ownership loans and soil and water conservation loans. 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. 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. Public Law 85–748, approved August 25, 1958 (72 Stat. 840), authorized for the first time the making of loans from the fund to be sold individually or in blocks and insured. Not in excess of $5 million may be borrowed from the Secretary of the Treasury for this purpose. Public Law 85–748 also changed the method of determining the interest paid the Secretary of the Treasury on borrowings to relate the charges to the current average market yields of outstanding marketable obligations of the United States.

Budget program.—Advances and purchases of loans are estimated at $13 million in 1960, a decrease of $1.7 million below 1959 and $4.4 million below 1958. Included is $4 million in 1959 and $7 million in 1960 for making loans under the new statutory authority which will later be sold on an insured basis.

Financing.—In order to finance the purchase of loans becoming eligible for redemption under the repurchase agreements, and to make loans later to be sold on an insured basis, it is estimated that it will be necessary to utilize the statutory authorization (7 U. S. C. 1005c) to borrow from the Treasury in the net amount of $3,400,000 in 1959. Net repayments to the Treasury of $750,000 are anticipated in 1960.

Operating results and retained earnings.—Total income, consisting principally of insurance premiums, is estimated at $2.7 million in 1960, an increase of about $0.2 million from 1959.

The necessity to purchase loans is expected to result in outstanding loans receivable of $11.2 million at June 30,

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1960. Retained earnings, which are for absorption of any future losses, are estimated to be $9.1 million at the end of 1960. These earnings, when added to the $1 million appropriation and estimated borrowings of $5.1 million from the Treasury, represents a $15.2 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

	1958 actual	*1959 estimate*	*1960 estimate*
Annual mortgage insurance authority	$150,000,000	$150,000,000	$150,000,000
Charges against mortgage insurance authority during the year:			
Mortgages insured	18,919,295	37,000,000	37,000,000
Commitments to insure pending advances by lenders	9,367,941	10,000,000	10,000,000
Mortgages accepted for the account of the fund, net	419,057	400,000	450,000
Total charges against authority	28,706,293	47,400,000	47,450,000
Unused insurance authority	121,293,707	102,600,000	102,550,000

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loans made:			
Payment of delinquent installments	$1,686,385	$1,320,000	$1,600,000
Advances on behalf of borrowers	125,429	140,000	150,000
From fund for later sale		4,000,000	7,000,000
Purchase of loans from lenders	15,283,151	9,430,000	4,400,000
Acquired real estate	17,257		
Judgments	159		
Expense	1,079,004	1,153,200	1,175,200
Increase in selected working capital	702,201	223,800	183,800
Total gross expenditures	18,893,586	16,267,000	14,509,000
Receipts from operations (funds provided):			
Loan repayments:			
On advances and loans held	2,853,886	2,190,000	2,305,000
Sale of loans	18,752,279	8,200,000	10,000,000
Sale of acquired real estate	66,450	100,000	120,000
Revenue	2,273,913	2,500,000	2,735,000
Total receipts from operations	23,946,528	12,990,000	15,160,000
Budget expenditures	−5,052,942	3,277,000	−651,000

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$2,273,913	$2,500,000	$2,735,000
Expense	1,113,698	1,193,200	1,215,200
Net income	1,160,215	1,306,800	1,519,800
Nonoperating income or loss (−):			
Proceeds from disposition of acquired property:			
Cash sales	66,450	100,000	120,000
Exchanged for loans receivable	124,911	110,000	140,000
Total proceeds from disposition of acquired property	191,361	210,000	260,000
Net book value of assets sold (−)	−198,478	−208,000	−258,000
Net gain or loss (−) from disposition of acquired property	−7,117	2,000	2,000
Net income for the year	1,153,098	1,308,800	1,521,800
Retained earnings, beginning of year	5,143,902	6,297,000	7,605,800
Retained earnings, end of year	6,297,000	7,605,800	9,127,600

Financial Condition

Assets:			
Cash with Treasury	$1,113,802	$1,236,802	$1,137,802
Accounts receivable, net	2,382,684	2,606,484	2,790,284
Loans receivable, net	6,155,254	10,525,254	11,240,254
Judgments	684	684	684
Real estate acquired through foreclosure	135,295	127,295	99,295
Total assets	9,787,719	14,496,519	15,268,319
Liabilities:			
Current	5,719	5,719	5,719
Government investment:			
Interest-bearing capital:			
Start of year	7,725,000	2,485,000	5,885,000
Borrowings from Treasury during year, net	−5,240,000	3,400,000	−750,000
End of year	2,485,000	5,885,000	5,135,000
Non-interest-bearing capital	1,000,000	1,000,000	1,000,000
Retained earnings	6,297,000	7,605,800	9,127,600
Total Government investment	9,782,000	14,490,800	15,262,600

NOTE.—This statement excludes contingent liabilities for principal amount of insured loans as follows: June 30, 1958, $172,068,883; 1959, $200,738,883; 1960, $232,338,883.

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$1,300,860	$1,113,802	$1,236,802	$1,137,802
Obligated balance, net:				
Current liabilities	3,785	5,719	5,719	5,719
Undisbursed commitments to purchase loans	324,961	650,194	470,194	350,194
Undisbursed commitments to pay recoverable loan costs		3,796		
Accounts receivable, net, and cash in transit (−)	−1,678,548	−2,382,684	−2,606,484	−2,790,284
Total obligated balance	−1,349,802	−1,722,975	−2,130,571	−2,434,371
Unobligated balance	2,650,662	2,836,777	3,367,373	3,572,173

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$779,482	$1,003,200	$1,005,200
14	Interest	298,626	150,000	170,000
16	Investments and loans	17,454,635	14,706,204	13,030,000
	Total obligations	18,532,743	15,859,404	14,205,200

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration of direct and insured loan programs (total obligations)	$104,499	$129,000	$117,000
Financing:			
Advances and reimbursements from—			
Other accounts	87,821	110,000	102,000
Non-Federal sources (40 U. S. C. 481 (c))	16,678	19,000	15,000
Total financing	104,499	129,000	117,000

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	15	15	13
	Average number of all employees	15	16	13
	Number of employees at end of year	15	15	13
	Average GS grade and salary	4.8 $4,379	4.8 $4,742	5.0 $4,910
01	Personal services:			
	Permanent positions	$66,683	$76,838	$64,180
	Other personal services	903	662	820
	Total personal services	67,586	77,500	65,000
03	Transportation of things	2,165	2,500	2,500
04	Communication services	101	200	200
05	Rents and utility services	15,011	25,300	30,000
07	Other contractual services	922	2,000	2,000
09	Equipment	14,513	16,500	12,500
11	Grants, subsidies, and contributions	4,201	5,000	4,800
	Total obligations	104,499	129,000	117,000

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, [$2,968,000] *$3,310,500. (5 U. S. C. 511–512, 518; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$2,968,000** Estimate 1960, **$3,310,500**

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OFFICE OF THE GENERAL COUNSEL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Agricultural credit and conservation	$1,506,346	$1,607,500	$1,607,500
2. Commodity credit, production, and adjustment programs	751,663	818,000	818,000
3. Marketing and regulatory laws	499,600	539,000	614,000
4. Agricultural research and staff legal services	261,120	271,000	271,000
Total program costs [1]	3,018,729	3,235,500	3,310,500
5. Relation of costs to obligations: Obligations incurred for cost of other years, net	3,571		
Total program (obligations)	3,022,300	3,235,500	3,310,500
Financing:			
Unobligated balance no longer available	5,700		
New obligational authority	3,028,000	3,235,500	3,310,500
New obligational authority:			
Appropriation	$2,943,000	$2,968,000	$3,310,500
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	85,000		
Appropriation (adjusted)	3,028,000	2,968,000	3,310,500
Proposed supplemental due to pay increases		267,500	

[1] Includes capital outlay as follows: 1958, $17,784; 1959, $13,000; 1960, $13,375.

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 1960 are to meet anticipated expansion in workload connected with mandatory inspection of poultry and poultry products, and increased activities resulting from amendment of the Packers and Stockyards Act by Public Law 85–909 (72 Stat. 1749).

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$30,861	$29,074	$29,074	$29,074
Selected resources at start of year (−)		−30,861	−29,074	−29,074
Adjustment of selected resources reported at start of year		5,358		
Obligations incurred for costs of other years, net		3,571		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	438	406	410
Full-time equivalent of all other positions	4	4	4
Average number of all employees	393	399	401
Number of employees at end of year	411	403	406
Average GS grade and salary	8.2 $6,208	8.1 $6,918	8.2 $7,037
01 Personal services:			
Permanent positions	$2,565,786	$2,775,443	$2,829,979
Positions other than permanent	16,824	17,500	17,500
Other personal services	13,980	13,982	25,321
Total personal services	2,596,590	2,806,925	2,872,800

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$99,144	$95,000	$98,000
03 Transportation of things	1,812	3,000	3,000
04 Communication services	37,151	38,000	38,300
05 Rents and utility services	11,552	9,000	9,000
06 Printing and reproduction	21,072	21,000	21,000
07 Other contractual services	16,886	17,370	17,500
Services performed by other agencies	6,903	6,500	6,500
08 Supplies and materials	28,833	30,000	30,300
09 Equipment	40,920	30,000	31,100
11 Grants, subsidies, and contributions	159,263	176,705	181,000
13 Refunds, awards, and indemnities	1,370	1,500	1,500
15 Taxes and assessments	804	500	500
Total obligations	3,022,300	3,235,500	3,310,500

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," soil bank programs.
"Conservation reserve," soil bank programs.
"Disaster loans, etc., revolving fund," Farmers' Home Administration.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$766	$750	$750
Financing:			
Advances and reimbursements from non-Federal sources (5 U. S. C. 61 (b); 40 U. S. C. 481 (c))	766	750	750

Object Classification

09 Equipment	$766	$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 practical and efficient work of the Department of Agriculture; [$2,668,895] *$2,881,000: 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, 1959.)*

Appropriated 1959, **$2,668,895** Estimate 1960, [a] **$2,881,000**

[a] Includes $4,600 for activities previously carried under "Salaries and expenses," Office of Information. The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General administration	$600,622	$621,215	$621,215
2. Personnel administration and service	681,970	703,114	703,114
3. Budgetary and financial administration and service	647,699	677,025	677,025

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
4. General operations	$574,784	$606,686	$606,686
5. Administrative management	79,819	95,545	95,545
6. Regulatory hearings and decisions	153,302	165,915	165,915
7. National Agricultural Advisory Commission	10,413	11,500	11,500
Total program costs [1]	2,748,609	2,881,000	2,881,000
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,415		
Total program (obligations)	2,747,194	2,881,000	2,881,000
Financing:			
Comparative transfers from (−) other accounts	−13,000	−4,600	
Unobligated balance no longer available	9,966		
New obligational authority	2,744,160	2,876,400	2,881,000
New obligational authority:			
Appropriation	$2,660,660	$2,668,895	$2,881,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	83,500		
Appropriation (adjusted)	2,744,160	2,668,895	2,881,000
Proposed supplemental due to pay increases		207,505	

[1] Includes capital outlay as follows: 1958, $24,766; 1959, $7,050; 1960, $7,050.

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.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$10,436	$10,051	$10,051	$10,051
Selected resources at start of year (−)		−10,436	−10,051	−10,051
Adjustment of selected resources reported at start of year		−1,030		
Costs financed from obligations of other years, net (−)		−1,415		

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	334		335		335	
	Full-time equivalent of all other positions	2		1		1	
	Average number of all employees	327		325		325	
	Number of employees at end of year	328		325		325	
	Average GS grade and salary	8.6	$6,527	8.6	$7,258	8.6	$7,284
01	Personal services:						
	Permanent positions	$2,262,665		$2,409,111		$2,401,483	
	Positions other than permanent	11,412		10,677		8,669	
	Other personal services	24,788		18,514		28,150	
	Total personal services	2,298,865		2,438,302		2,438,302	
02	Travel	109,883		117,500		117,500	
03	Transportation of things	3,399		1,300		1,300	
04	Communication services	34,436		35,400		35,400	
05	Rents and utility services	815		800		800	
06	Printing and reproduction	66,279		66,700		66,700	
07	Other contractual services	13,088		10,300		10,300	
	Services performed by other agencies	29,852		25,300		25,300	
08	Supplies and materials	20,089		19,600		19,600	
09	Equipment	32,254		7,050		7,050	
11	Grants, subsidies, and contributions	135,776		156,618		156,618	
13	Refunds, awards, and indemnities	1,089		800		800	
15	Taxes and assessments	1,369		1,330		1,330	
	Total obligations	2,747,194		2,881,000		2,881,000	

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

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 (5 U. S. C. 542–1) and $519,848 donated assets, as of June 30, 1958. Earnings are retained to furnish adequate working capital.

In 1957, the motor pool activity was transferred to the General Services Administration. The activity had a residue of retained earnings of $2,821 which was capitalized during 1958.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Supply and other central services program:			
Acquisition of equipment	$15,507	$6,540	$2,500
Expense:			
Purchase of materials	427,744	429,200	465,500
Other expense	357,609	352,180	316,598
Reproduction services program:			
Acquisition of equipment	15,227		
Expense:			
Purchase of materials	367,680	370,000	333,800
Other expense	652,047	650,000	686,200

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE—Con.

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied)—Con.			
Motion picture, photographic, and other visual information services program:			
Acquisition of equipment	$32,766	$60,000	$50,000
Expense:			
Purchase of materials	156,663	180,000	180,000
Other expense	821,184	820,600	815,600
Total gross expenditures	2,846,427	' 2,868,520	2,850,198
Receipts from operations (funds provided):			
Supply and other central services program:			
Revenue	817,181	821,580	823,000
Proceeds from sale of equipment	72		
Reproduction services program: Revenue	998,429	1,000,000	1,000,000
Motion picture, photographic, and other visual information services program:			
Revenue	1,010,490	1,025,000	1,025,000
Proceeds from sale of equipment	956		
Selected working capital assumed	2,154		
Decrease in selected working capital	64,051	45,482	39,266
Total receipts from operations	2,893,333	2,892,062	2,887,266
Budget expenditures	−46,906	−23,542	−37,068

Revenue, Expense, and Retained Earnings

Supply and other central services program:			
Revenue	$817,181	$821,580	$823,000
Expense	839,123	819,580	821,000
Net operating income or loss (−), supply and other central services program	−21,942	2,000	2,000
Reproduction services program:			
Revenue	998,429	1,000,000	1,000,000
Expense	1,033,378	1,000,000	1,000,000
Net operating loss (−), reproduction services program	−34,949		
Motion picture, photographic, and other visual information services program:			
Revenue	1,010,490	1,025,000	1,025,000
Expense	1,009,615	1,024,600	1,022,600
Net operating income, motion picture, photographic, and other visual information services program	875	400	2,400
Nonoperating income:			
Proceeds from sale of equipment	1,028		
Net book value of assets sold (−)	−387		
Net nonoperating income	641		
Net income or loss (−) for the year	−55,375	2,400	4,400
Analysis of retained earnings:			
Retained earnings, beginning of year	97,138	38,942	41,342
Capitalization of earnings from terminated motor pool (−)	−2,821		
Retained earnings, end of year	38,942	41,342	45,742

Financial Condition

Assets:			
Cash with Treasury	$311,045	$334,587	$371,655
Accounts receivable, net	412,160	402,703	387,703
Advances	4,340	4,000	4,000
Inventories, deferred charges, etc	250,643	252,581	251,981
Equipment, net	366,457	388,260	394,858
Total assets	1,344,645	1,382,131	1,410,197
Liabilities:			
Current	385,855	420,941	444,607
Government investment:			
Non-interest-bearing capital:			
Start of year	909,605	919,848	919,848
Donated assets, net	7,422		
Capitalization of earnings from terminated motor pool	2,821		
End of year	919,848	919,848	919,848
Retained earnings	38,942	41,342	45,742
Total Government investment	958,790	961,190	965,590

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $103,402; 1958, $111,376; 1959, $105,000; and 1960, $105,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
OFFICE OF THE SECRETARY			
Total number of permanent positions	170	164	164
Average number of all employees	164	162	162
Number of employees at end of year	159	159	162
Average GS grade and salary	4.1 $4,119	4.2 $4,658	4.2 $4,675
Average salary of ungraded positions	$4,185	$4,231	$4,246
01 Personal services:			
Permanent positions	$703,207	$714,217	$711,420
Positions other than permanent	978		
Other personal services	25,118	25,783	28,580
Excess of annual leave earned over leave taken	2,528		
Total personal services	731,831	740,000	740,000
02 Travel	7	100	100
03 Transportation of things	104	100	100
04 Communication services	125,344	125,000	125,000
05 Rents and utility services	7,101	7,100	7,100
06 Printing and reproduction	343	1,000	1,000
07 Other contractual services	13,279	13,000	13,000
08 Supplies and materials	817,005	803,603	801,000
09 Equipment	8,124		
11 Grants, subsidies, and contributions	43,776	45,500	45,500
13 Refunds, awards, and indemnities	170	100	100
15 Taxes and assessments	57	100	100
Total, Office of the Secretary	1,747,141	1,735,603	1,733,000
ALLOTMENT ACCOUNTS			
Total number of permanent positions	110	108	108
Full-time equivalent of all other positions	2	2	1
Average number of all employees	108	109	110
Number of employees at end of year	110	112	112
Average GS grade and salary	7.3 $5,520	7.5 $5,977	7.5 $6,072
01 Personal services:			
Permanent positions	$602,465	$654,491	$670,908
Positions other than permanent	7,675	10,707	6,636
Other personal services	21,793	16,817	15,005
Excess of annual leave taken (−) over leave earned	−1,592		
Total personal services	630,341	682,015	692,549
02 Travel	22,542	22,500	22,500
03 Transportation of things	4,550	4,500	4,500
04 Communication services	5,905	4,682	5,600
06 Printing and reproduction	13,468	13,575	13,580
07 Other contractual services	162,242	162,311	162,347
Services performed by other agencies	5,666	5,600	5,600
08 Supplies and materials	185,780	122,954	115,969
09 Equipment	40,058	66,540	52,500
11 Grants, subsidies, and contributions	36,552	40,225	40,753
13 Refunds, awards, and indemnities	129		
15 Taxes and assessments	617	700	700
Total, allotment accounts	1,107,850	1,125,602	1,116,598
Total obligations	2,854,991	2,861,205	2,849,598
Obligations are distributed as follows:			
Office of the Secretary	$1,747,141	$1,735,603	$1,733,000
Office of Information	1,049,575	1,076,399	1,070,000
Library	58,275	49,203	46,598

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous services to other accounts:			
Department of Agriculture	$9,732	$32,800	$32,800
Other agencies	11,793	3,320	3,320
Total obligations	21,525	36,120	36,120
Financing:			
Advances and reimbursements from—			
Other accounts	21,187	36,120	36,120
Non-Federal sources (40 U. S. C. 481 (c))	338		
Total financing	21,525	36,120	36,120

Object Classification

Total number of permanent positions	1	2	2
Average number of all employees	1	2	2
Number of employees at end of year	0	0	0
Average GS grade and salary	11.1 $8,595	10.4 $9,089	10.4 $9,193
01 Personal services: Permanent positions	$8,515	$15,070	$15,070

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Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
02	Travel	$11,631	$20,000	$20,000
06	Printing and reproduction	1,023		
07	Other contractual services	25		
09	Equipment	331		
11	Grants, subsidies, and contributions		1,050	1,050
	Total obligations	21,525	36,120	36,120

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, [$1,359,265] *$1,431,665*, 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] *and thirty-one thousand nine* 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, 1959.)*

Appropriated 1959, **$1,359,265** Estimate 1960, [a] **$1,431,665**

[a] Excludes $4,600 for activities transferred in the estimates to "Salaries and expenses," Office of the Secretary. The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Publications review and distribution	$681,060	$674,045	$685,345
2. Review and distribution of current agricultural information	505,059	513,725	520,185
3. Review, preparation, and distribution of visual agricultural information	228,024	225,895	226,135
Total program costs [1]	1,414,143	1,413,665	1,431,665
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−26,416		
Total program (obligations)	1,387,727	1,413,665	1,431,665
Financing:			
Comparative transfers to other accounts	13,000	4,600	
Unobligated balance no longer available	1,073		
New obligational authority	1,401,800	1,418,265	1,431,665
New obligational authority:			
Appropriation	$1,367,500	$1,359,265	$1,431,665
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	34,300		
Appropriation (adjusted)	1,401,800	1,359,265	1,431,665
Proposed supplemental due to pay increases		59,000	

[1] Includes capital outlay as follows: 1958, $7,653.

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 any or all information media. This work is carried on in close cooperation with the land-grant colleges and with private industries which serve agriculture. Workload depends upon Department program demands, direct requests, and legislative requirements.

A supplemental appropriation is proposed for later transmission to meet the costs of increased postal rates authorized in Public Law 85–426, approved May 27, 1958.

1. *Publications review and distribution.*—The Department publications, both printed and processed, are reviewed for policy clearance and control. 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 3,600 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, an 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 nearly 75 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.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Publications consigned to Government Printing Office	$166,640	$157,000	$185,000	$185,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	304,645	275,652	247,652	247,652
Total selected resources at end of year	471,285	432,652	432,652	432,652
Selected resources at start of year (−)		−471,285	−432,652	−432,652
Adjustment of selected resources reported at start of year		12,217		
Costs financed from obligations of other years, net (−)		−26,416		

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	135		133		133	
	Full-time equivalent of all other positions	2		1		1	
	Average number of all employees	125		120		120	
	Number of employees at end of year	133		128		128	
	Average GS grade and salary	7.2	$5,431	7.2	$6,076	7.2	$6,141
01	Personal services:						
	Permanent positions	$689,004		$728,501		$734,993	
	Positions other than permanent	8,910		3,025		3,025	
	Other personal services	8,282		3,739		5,759	
	Total personal services	706,196		735,265		743,777	
02	Travel	9,723		9,000		9,000	
03	Transportation of things	3,300		3,000		3,000	
04	Communication services	70,016		70,000		88,000	
06	Printing and reproduction	499,923		500,000		500,000	
07	Other contractual services	10,658		10,500		9,000	
	Services performed by other agencies	23,850		25,100		20,588	

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OFFICE OF INFORMATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
08	Supplies and materials	$9,717	$9,000	$8,400
09	Equipment	9,862	4,000	1,600
11	Grants, subsidies, and contributions	44,148	47,500	48,000
15	Taxes and assessments	334	300	300
	Total obligations	1,387,727	1,413,665	1,431,665

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:
"Acreage reserve," soil bank programs.
"Conservation reserve," soil bank programs.
"Great Plains conservation program," Soil Conservation Service.
"Working capital fund, Department of Agriculture."
"Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Miscellaneous services to other accounts	$3,505		
2. Review, preparation, and distribution of visual agricultural information	45,560		
Total obligations	49,065		
Financing:			
Advances and reimbursements from—Other accounts	43,077		
Non-Federal sources (40 U. S. C. 481 (c); 7 U. S. C. 1387)	5,988		
Total financing	49,065		

Object Classification

	Total number of permanent positions	4		
	Average number of all employees	4		
	Number of employees at end of year	4		
	Average GS grade and salary	7.2 $5,431		
01	Personal services:			
	Permanent positions	$25,400		
	Other personal services	1,156		
	Total personal services	26,556		
02	Travel	143		
03	Transportation of things	160		
06	Printing and reproduction	7,718		
07	Other contractual services	2,999		
	Services performed by other agencies	5,390		
08	Supplies and materials	5,427		
09	Equipment	182		
11	Grants, subsidies, and contributions	490		
	Total obligations	49,065		

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Publications review and distribution		$11,300	
2. Review and distribution of current agricultural information		6,460	
3. Review, preparation, and distribution of visual agricultural information		$240	
Total program (costs-obligations)		18,000	
Financing:			
Proposed supplemental appropriation		18,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $18,000 is anticipated to partially cover the cost of postal rate increases authorized in Public Law 85–426, approved May 27, 1958.

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] *$932,600.* *(5 U. S. C. 83, 511–512, 514, 516, 552a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.)*

Appropriated 1959, **$772,000** Estimate 1960, **$932,600**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Agricultural library services (total program costs [1])	$776,022	$834,600	$932,600
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,213	
Obligations incurred for costs of other years, net	27,102		
Total program (obligations)	803,124	832,387	932,600
Financing:			
1959 appropriation available in 1958	−2,213	2,213	
Unobligated balance no longer available	304		
New obligational authority	801,215	834,600	932,600
New obligational authority:			
Appropriation	$772,000	$772,000	$932,600
Transferred from "Conservation reserve," soil bank programs (72 U. S. C. 243)	29,215		
Appropriation (adjusted)	801,215	772,000	932,600
Proposed supplemental due to pay increases		62,600	

[1] Includes capital outlay as follows: 1958, $1,343; 1959, $1,300; 1960, $1,300.

1. The Library, a basic unit serving 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 1,150,000 volumes, probably one of the most extensive agricultural collections existing in any country. Its services are used by agricultural colleges and universities, other research and educational institutions throughout the world, Government departments, agricultural associations, industry, individual farmers, and the general public. It serves as the national agricultural library, one of the three national libraries.

During 1958, a total of 19,767 volumes and 252,547 separate issues of periodicals were added to the collection by purchase, gift and exchange. During 1958, a total of 1,119,696 loans of books and periodicals were made and 138,650 reference questions were answered. The Bib-

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liography of Agriculture, a comprehensive monthly index to the technical agricultural knowledge of the world, listed a total of 101,351 items.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Equipment not placed in use	------	$211	------	------
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$13,356	34,085	$32,083	$32,083
Total selected resources at end of year	13,356	34,296	32,083	32,083
Selected resources at start of year (−)	------	−13,356	−34,296	−32,083
Adjustment of selected resources reported at start of year	------	6,162	------	------
Costs financed from obligations of other years, net (−)	------	------	−2,213	------
Obligations incurred for costs of other years, net	------	27,102	------	------

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		138		132		150
Full-time equivalent of all other positions		2		1		1
Average number of all employees		125		126		142
Number of employees at end of year		127		130		145
Average GS grade and salary	5.6	$4,548	5.6	$5,127	5.6	$5,121
01 Personal services:						
Permanent positions		$608,324		$653,309		$725,429
Positions other than permanent		5,228		3,588		3,697
Other personal services		2,651		2,703		6,004
Total personal services		616,203		659,600		735,130
02 Travel		1,196		2,600		2,600
03 Transportation of things		477		490		490
04 Communication services		12,639		14,400		14,400
06 Printing and reproduction		5,337		3,100		3,100
Binding		27,680		27,300		31,000
07 Other contractual services		24,180		24,000		34,270
Services performed by other agencies		15,925		11,000		13,900
08 Supplies and materials		6,330		6,277		6,623
09 Equipment		51,075		41,227		41,281
11 Grants, subsidies, and contributions		37,848		42,906		48,106
13 Refunds, awards, and indemnities		1,832		1,500		1,500
15 Taxes and assessments		189		200		200
1959 program obligated in 1958		2,213		−2,213		------
Total obligations		803,124		832,387		932,600

ALLOTMENTS AND ALLOCATIONS 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.
"Translation of publications and scientific cooperation," funds appropriated to the President.
"Working capital fund, Department of Agriculture."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Agricultural library services (includes Departments of Agriculture, Health, Education, and Welfare, and Farm Credit Administration) (total obligations)	$81,005	$82,500	$13,231
Financing:			
Advances and reimbursements from—			
Other accounts	81,005	82,500	13,231
Non-Federal sources (5 U. S. C. 552a)	------	1,000	------
Total financing	81,005	83,500	13,231

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		18		14		3
Full-time equivalent of all other positions		1		1		------
Average number of all employees		15		13		3
Number of employees at end of year		16		14		3
Average GS grade and salary	5.0	$4,173	5.4	$4,874	3.7	$4,125

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Permanent positions	$64,838	$66,147	$12,285
Positions other than permanent	1,096	5,273	------
Other personal services	281	263	95
Total personal services	66,215	71,683	12,380
02 Travel	447	------	------
06 Printing and reproduction	127	56	------
07 Other contractual services	166	189	46
Services performed by other agencies	1,611	880	------
08 Supplies and materials	850	800	------
09 Equipment	7,572	5,506	------
11 Grants, subsidies, and contributions	3,750	4,241	805
13 Refunds, awards, and indemnities	125	------	------
15 Taxes and assessments	142	145	------
Total obligations	81,005	83,500	13,231

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 and Puerto Rico; and management of land utilization projects covering about 4.7 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; [$75,107,000] *$77,815,800,* of which $5,000,000 for fighting and preventing forest fires and [$1,760,000] *$1,910,000* 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; [$15,678,000] *$14,026,400.*

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; [$12,720,000] *$12,307,800.*

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FOREST SERVICE—Continued

Current authorizations—Continued

FOREST PROTECTION AND UTILIZATION—Continued

During the current fiscal year not to exceed $100,000 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; 72 Stat. 216–217, 425–426, 438, 979; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$103,505,000** Estimate 1960, **$104,150,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Forest land management:			
(a) National forest protection and management	$59,261,518	$68,594,400	$67,534,000
(b) Fighting forest fires	9,272,996	5,000,000	5,000,000
(c) Insect and disease control	6,239,355	6,608,600	5,881,800
(d) Acquisition of lands	99,693	100,000	100,000
Total, forest land management	74,873,562	80,303,000	78,515,800
2. Forest research:			
(a) Forest and range management	5,787,088	6,880,000	6,880,000
(b) Forest protection	2,248,556	2,440,000	2,440,000
(c) Forest products utilization	2,402,007	2,794,400	2,794,400
(d) Forest resources	1,781,348	1,912,000	1,912,000
(e) Forest research construction		2,500,000	
Total, forest research	12,218,999	16,526,400	14,026,400
3. State and private forestry cooperation:			
(a) Forest fire control	10,081,985	10,085,000	10,085,000
(b) Forest tree planting	1,266,762	790,000	290,000
(c) Forest management and processing	1,500,901	1,522,000	1,522,000
(d) General forestry assistance	356,027	410,800	410,800
Total, State and private forestry cooperation	13,205,675	12,807,800	12,307,800
4. 1959 program obligated in 1958	625,348	−625,348	
Total obligations	100,923,584	109,011,852	104,850,000
Financing:			
Comparative transfers to other accounts	100,000		
1959 appropriation available in 1958	−625,348	625,348	
Advances and reimbursements from other accounts	−735,629	−700,000	−700,000
Unobligated balance no longer available	228,698		
New obligational authority	99,891,305	108,937,200	104,150,000
New obligational authority:			
Appropriation	$97,680,000	$103,505,000	$104,150,000
Transferred from "Conservation reserve," soil bank programs (72 Stat. 243)	2,211,305		
Appropriation (adjusted)	99,891,305	103,505,000	104,150,000
Proposed supplemental due to pay increases		5,432,200	

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	*1958 actual*	*1959 estimate*	*1960 estimate*
Area administered and protected:			
(a) National forest land (acres)	181,087,762	181,000,000	181,000,000
(b) Land utilization projects (acres)	6,953,945	4,700,000	4,700,000
Timber managed and protected (billion board-feet)	765	765	765
Timber sales (number)	35,773	36,000	40,000
Timber harvested (billion board-feet)	6.4	8.0	8.7
Forest fires controlled (number)	7,873	10,000	10,000
Area burned (acres)	139,484	160,000	160,000
Grazing use permits (calendar year)	27,136	27,000	27,000
Estimated number of livestock on national forest ranges (including calves and lambs)	6,000,000	6,000,000	6,000,000
Special use permits, excluding recreation (number)	36,500	38,000	40,000
Recreation special use permits (number)	20,500	22,000	24,000
Estimated number of visitors to national forests (calendar year)	69,000,000	75,000,000	80,000,000
Tree planting and seeding (annual) (acres)	29,455	40,000	40,000
Range reseeding and removal of competing vegetation (annual) (acres)	120,902	140,000	140,000
Receipts:			
Timber sales	$86,274,611	$112,000,000	$122,000,000
Grazing	3,013,930	3,000,000	3,000,000
Land use and power	2,257,279	2,400,000	2,400,000
Land utilization projects	2,290,775	1,600,000	1,600,000
Total receipts	93,836,595	119,000,000	129,000,000

(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. A supplemental for this purpose is proposed for 1959.

(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, and (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.

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MAIN WORKLOAD FACTORS

[Acres in millions]

	1958 actual	1959 estimate	1960 estimate
Initial surveys (annual)	14	25	30
Initial surveys (cumulative)	528	553	583
To be surveyed (total) [1]	254	229	199
Resurveys (annual)	36	30	30
Resurveys (cumulative)	318	348	378

[1] Includes all of Alaska and Hawaii.

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 about 85% 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 45 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 91% of the 435 million acres of non-Federal ownership are now partially covered. During 1957 the acreage burned on protected areas was 0.28% as against an estimated 5.46% on unprotected lands. Of the total expenditures under this program, 75% is contributed by States and counties, 4% by private owners, and 21% 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 State and private landowners.

(*c*) *Forest management and processing.*—In cooperation with State foresters, 314 projects in 1,481 counties are operated to aid small woodland owners in applying good management to their timber holdings. In 1957 these projects covered some 44,500 owners and over three 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

	1958 actual	1959 estimate	1960 estimate
FOREST SERVICE			
Total number of permanent positions	8,667	9,185	9,530
Full-time equivalent of all other positions	3,921	4,024	3,872
Average number of all employees	11,584	12,254	12,413
Number of employees at end of year	17,023	17,650	17,395
Average GS grade and salary	6.6 $5,008	6.7 $5,589	6.8 $5,589
Average salary of ungraded positions	$4,337	$4,569	$4,569
Personal services:			
Permanent positions	$40,662,276	$47,011,876	$48,745,256
Positions other than permanent	10,811,199	12,621,218	12,066,418
Other personal services	3,914,308	2,373,331	2,382,931
Total personal services	55,387,783	62,006,425	63,194,605
02 Travel	2,915,770	3,208,000	3,325,300
03 Transportation of things	870,049	754,900	865,100
04 Communication services	712,702	716,200	728,600
05 Rents and utility services	864,083	915,200	921,200
06 Printing and reproduction	620,705	593,200	618,300
07 Other contractual services	5,419,788	5,805,200	4,628,400
Services performed by other agencies	5,523,787	5,277,600	5,264,600
08 Supplies and materials	8,346,840	7,006,076	6,813,496
09 Equipment	3,038,367	2,777,000	2,288,700
10 Lands and structures	2,236,169	5,925,000	2,064,600
11 Grants, subsidies, and contributions	2,359,844	3,064,300	3,177,000
Payments to States	11,974,376	11,701,200	11,201,200
13 Refunds, awards, and indemnities	62,470	43,800	40,900

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
FOREST SERVICE—continued			
15 Taxes and assessments	$419,856	$358,500	$347,500
1959 program obligated in 1958	625,348	−625,348	
Subtotal	101,377,937	109,527,253	105,479,501
Deduct quarters and subsistence charges	981,941	993,811	1,107,911
Total, Forest Service	100,395,996	108,533,442	104,371,590
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	4	5	5
Full-time equivalent of all other positions	78	74	74
Average number of all employees	83	80	80
Number of employees at end of year	226	223	223
Average GS grade and salary	7.5 $5,044	7.6 $5,490	7.6 $5,568
01 Personal services:			
Permanent positions	$32,986	$30,101	$30,989
Positions other than permanent	282,604	285,257	284,140
Other personal services	19,192	16,123	16,361
Total personal services	334,782	331,481	331,490
02 Travel	7,269	8,480	8,480
03 Transportation of things	3,197	2,900	2,900
04 Communication services	2,749	3,500	3,500
05 Rents and utility services	5,641	5,200	5,200
06 Printing and reproduction	2	20	20
07 Other contractual services	73,672	60,436	60,410
08 Supplies and materials	69,230	49,740	49,755
09 Equipment	29,966	13,420	13,420
11 Grants, subsidies, and contributions	3,041	2,748	2,750
13 Refunds, awards, and indemnities	237		
15 Taxes and assessments	6,131	6,050	6,050
16 Investments and loans	175	175	175
Subtotal	536,092	484,150	484,150
Deduct quarters and subsistence charges	8,504	5,740	5,740
Total, Department of the Interior	527,588	478,410	478,410
Total obligations	100,923,584	109,011,852	104,850,000

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)] *title 23, United States Code, sections 203 and 205,* relating to *the construction and maintenance of* forest development roads and trails, [including the construction, reconstruction, and maintenance of roads and trails on experimental areas under Forest Service administration, $26,000,000] *$24,000,000,* to remain available until expended, [and this amount may be used to the extent necessary] for liquidation of obligations incurred pursuant to authority contained in [section 106 of the Federal-Aid Highway Act of 1956 (23 U. S. C. 155) and section 6 of the Federal-Aid Highway Act of 1958 (Public Law 85–381)] *title 23, United States Code, section 203*: *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; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$26,000,000** Estimate 1960, **$24,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction of roads and trails	$33,790,155	$25,400,894	$25,000,000
2. Maintenance of roads and trails	9,910,802	10,400,000	10,400,000
Total obligations	43,700,957	35,800,894	35,400,000
Financing:			
Unobligated balance brought forward:			
Appropriation	−825,864		
Contract authorization	−27,000,000	−26,915,894	−30,000,000
Unobligated balance carried forward (contract authorization)	26,915,894	30,000,000	36,000,000
New obligational authority	42,790,987	38,885,000	41,400,000
New obligational authority:			
Contract authorization (new) (23 U. S. C. 203)	$32,000,000	$30,000,000	$30,000,000
Permanent indefinite appropriation (16 U. S. C. 501)	10,790,987	8,885,000	11,400,000

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FOREST SERVICE—Continued

Current authorizations—Continued

FOREST ROADS AND TRAILS—Continued

Roads and trails are essential to protection and management of national forests and utilization of their resources. The system consists of approximately 149,750 miles of earth or gravel surfaced roads and 115,375 miles of supplemental trails.

The 1960 program will permit the construction of about 280 miles of general purpose roads and about 440 miles of timber access roads to harvest national forest timber, a total of 720 miles. This compares with 839 miles constructed in 1958 and 900 being constructed in 1959.

Beginning in 1958, this program is being financed on the basis of contract authorizations provided in the Federal-Aid Highway Acts of 1956 and 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 (16 U. S. C. 501). Such amounts are merged with this appropriation for obligational purposes.

Object Classification

	1958 actual	1959 estimate	1960 estimate
FOREST SERVICE			
Total number of permanent positions	1,797	1,906	1,906
Full-time equivalent of all other positions	1,455	1,376	1,376
Average number of all employees	3,162	3,099	3,099
Number of employees at end of year	4,644	4,689	4,689
Average GS grade and salary	6.6 $5,008	6.7 $5,589	6.8 $5,589
Average salary of ungraded positions	$4,337	$4,569	$4,569
01 Personal services:			
Permanent positions	$8,666,280	$9,366,255	$9,366,255
Positions other than permanent	4,739,938	4,560,077	4,560,077
Other personal services	228,674	215,661	219,250
Total personal services	13,634,892	14,141,993	14,145,582
02 Travel	684,725	714,000	714,000
03 Transportation of things	158,641	164,880	164,900
04 Communication services	170,061	160,000	160,000
05 Rents and utility services	323,167	315,000	315,000
06 Printing and reproduction	129,079	51,820	51,900
07 Other contractual services	4,459,503	3,574,525	3,575,200
Services performed by other agencies	3,240,637	2,996,600	2,996,600
08 Supplies and materials	3,767,155	3,382,508	3,378,900
09 Equipment	848,794	710,400	710,400
10 Lands and structures	8,396,560	6,177,993	2,739,668
11 Grants, subsidies, and contributions	499,015	572,800	572,800
13 Refunds, awards, and indemnities	33,695	32,100	32,100
15 Taxes and assessments	139,201	133,300	133,300
Subtotal	36,485,125	33,127,919	29,690,350
Deduct quarters and subsistence charges	292,674	279,000	290,350
Total, Forest Service	36,192,451	32,848,919	29,400,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	110	110	110
Full-time equivalent of all other positions	30	47	47
Average number of all employees	129	155	155
Number of employees at end of year	150	180	180
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$475,685	$532,210	$538,400
Positions other than permanent	107,975	190,865	194,210
Other personal services	16,389	29,405	32,180
Total personal services	600,049	752,480	764,790
02 Travel	144,424	147,000	146,800
03 Transportation of things	1,029	1,300	1,300
04 Communication services	2,194	2,500	2,500
05 Rents and utility services	31,014	55,200	55,200
06 Printing and reproduction	2,873	3,000	3,000
07 Other contractual services			
Services performed by other agencies	472,915	610,660	592,690
08 Supplies and materials	25,221	31,000	31,000
09 Equipment	440		
10 Lands and structures	6,191,912	1,324,890	4,378,770
11 Grants, subsidies, and contributions	36,652	20,750	20,755
15 Taxes and assessments	48	3,195	3,195
Subtotal	7,508,771	2,951,975	6,000,000
Deduct quarters and subsistence charges	265		
Total, Bureau of Public Roads	7,508,506	2,951,975	6,000,000
Total obligations	43,700,957	35,800,894	35,400,000

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Unfunded balance at beginning of year	$27,000,000	$34,664,000	$38,664,000
Contract authorization (new)	32,000,000	30,000,000	30,000,000
Unfunded balance at end of year	−34,664,000	−38,664,000	−44,664,000
Appropriation to liquidate contract authorization	24,336,000	26,000,000	24,000,000

NOTE.—This program is described under "Forest roads and trails."

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, 1959.*)

Appropriated 1959, **$50,000** Estimate 1960, **$50,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Acquisition of lands for Cache National Forest (total obligations)		$103,416	$50,000
Financing:			
Unobligated balance brought forward	−$3,416	−53,416	
Unobligated balance carried forward	53,416		
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 1960 appropriation requested will complete the authorization of $200,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures		$103,416	$50,000

SPECIAL ACTS

(Special fund)

For the acquisition of land in the Cache National Forest, Utah, *in accordance with the* Act of May 11, 1938 (52 Stat. 347), as amended, $10,000, *to be derived from forest receipts as authorized by said Act: 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, 1959.*)

Appropriated 1959, **$10,000** Estimate 1960, **$10,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Cache National Forest, Utah (total obligations)	$8,687	$10,000	$10,000
Financing:			
Appropriation (new obligational authority)	8,687	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,

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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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		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		6.7 $5,589	6.8 $5,589
01 Personal services:			
Permanent positions		$651	$651
Positions other than permanent	$228		
04 Communication services	105		
07 Other contractual services		2	2
10 Lands and structures	8,349	9,302	9,302
11 Grants, subsidies, and contributions		45	45
15 Taxes and assessments	5		
Total obligations	8,687	10,000	10,000

SUPERIOR NATIONAL FOREST

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Acquisition of lands for Superior National Forest (total obligations)	$236,195	$531,895	
Financing:			
Unobligated balance brought forward	−268,090	−531,895	
Unobligated balance carried forward	531,895		
Appropriation (new obligational authority)	500,000		

As of June 30, 1959, approximately 37,000 acres of land will have been acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2	1	
Average number of all employees	2	1	
Number of employees at end of year	2	1	
Average GS grade and salary	6.6 $5,008	6.7 $5,589	
01 Personal services:			
Permanent positions	$12,754	$9,378	
Positions other than permanent	86		
Other personal services	68		
Total personal services	12,908	9,378	
02 Travel	1,013	1,002	
04 Communication services	22		
05 Rents and utility services	5	46	
07 Other contractual services	186	50	
Services performed by other agencies	675	600	
08 Supplies and materials	45	100	
10 Lands and structures	220,543	520,109	
11 Grants, subsidies, and contributions	342	610	
15 Taxes and assessments	456		
Total obligations	236,195	531,895	

COOPERATIVE RANGE IMPROVEMENTS

(Special fund)

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] *in accordance with* section 12 of the Act of April 24, 1950 (16 U. S. C. 580h), *to be derived from grazing fees as authorized by said section,* $700,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$700,000** Estimate 1960, **$700,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Advanced to "Forest protection and utilization" (total obligations)	$735,629	$700,000	$700,000
Financing:			
Unobligated balance brought forward	−35,629		
Appropriation (new obligational authority)	700,000	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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$735,629	$700,000	$700,000

ASSISTANCE TO STATES FOR TREE PLANTING

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Tree planting assistance (total obligations)	$491,225	$8,775	
Financing:			
Unobligated balance brought forward		−8,775	
Unobligated balance carried forward	8,775		
Appropriation (new obligational authority)	500,000		

To carry out section 401 of the Agricultural Act of 1956, assistance was given in 1958 and 1959 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	4		
Average number of all employees	4		
Number of employees at end of year	3		
Average GS grade and salary	6.6 $5,008		
01 Personal services:			
Permanent positions	$23,653		
Positions other than permanent	16		
Other personal services	48		
Total personal services	23,717		
02 Travel	3,280		
04 Communication services	3		
07 Other contractual services	77		
Services performed by other agencies	56		
08 Supplies and materials	69		
09 Equipment	41		
10 Lands and structures	10		
11 Grants, subsidies, and contributions	988		
Payments to States	462,820	$8,775	
15 Taxes and assessments	164		
Total obligations	491,225	8,775	

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

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FOREST SERVICE—Continued

Current authorizations—Continued

GENERAL PROVISIONS—FOREST SERVICE—Continued

exceed [one hundred and twenty] *seventy-five* passenger motor vehicles for replacement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed [six of which four shall be] *three* 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)] *(d)* purchase, erection, and alteration of buildings and other public improvements[: *Provided*, 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)] *(e)* 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, 1959.*)

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," Agricultural Conservation Program Service.
"Conservation reserve," soil bank programs.
"Great Plains conservation program," Soil Conservation Service.
"Construction, general," rivers and harbors and flood control, Army.
"Mutual security," funds appropriated to the President.
"Translation of publications and scientific cooperation," funds appropriated to the President.

Permanent authorizations:

EXPENSES, BRUSH DISPOSAL

(Indefinite special fund)

Appropriated (est.) 1959, **$5,000,000** Estimate 1960, **$5,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Brush disposal	$4,116,101	$5,000,000	$5,000,000
2. Fighting forest fires	550,369		
Total obligations	4,666,470	5,000,000	5,000,000
Financing:			
Unobligated balance brought forward	−2,675,520	−1,775,362	−2,325,731
Advances and reimbursements from other accounts		−550,369	
Unobligated balance carried forward	1,775,362	2,325,731	2,325,731
Appropriation (new obligational authority)	3,766,312	5,000,000	5,000,000

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	201	182	182
Full-time equivalent of all other positions	503	544	544
Average number of all employees	720	778	778
Number of employees at end of year	1,481	1,559	1,559
Average GS grade and salary	6.6 $5,068	6.7 $5,589	6.8 $5,589
Average salary of ungraded positions	$4,337	$4,569	$4,569
01 Personal services:			
Permanent positions	$1,091,374	$1,150,518	$1,150,518
Positions other than permanent	1,750,024	2,066,843	2,066,843
Other personal services	292,535	118,863	123,288
Total personal services	3,133,933	3,336,224	3,340,649
02 Travel	32,941	36,000	36,000
03 Transportation of things	23,103	25,000	25,000
04 Communication services	21,961	25,000	25,000
05 Rents and utility services	45,696	50,000	50,000
06 Printing and reproduction	1,988	2,000	2,000
07 Other contractual services	311,459	415,757	415,651
Services performed by other agencies	401,172	417,000	417,000
08 Supplies and materials	427,414	415,000	410,600
09 Equipment	177,636	195,000	195,000
10 Lands and structures	65,150	120,000	120,000
11 Grants, subsidies, and contributions	55,922	71,995	72,000
13 Refunds, awards, and indemnities	80,005	1,100	1,100
15 Taxes and assessments	44,450	46,624	46,700
Subtotal	4,822,830	5,156,700	5,156,700
Deduct quarters and subsistence charges	156,360	156,700	156,700
Total obligations	4,666,470	5,000,000	5,000,000

OTHER FOREST SERVICE PERMANENT APPROPRIATIONS

(Indefinite special funds unless otherwise indicated)

Appropriated (est.) 1959, **$22,888,474** Estimate 1960, **$29,264,474**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Forest fire prevention	$16,276	$30,929	$20,000
2. Restoration of forest lands and improvements		100,000	100,000
3. Payment to Minnesota	47,951	48,000	48,000
4. Payments due counties, submarginal land program	558,249	400,000	400,000
5. Payments to school funds, Arizona and New Mexico	105,474	105,474	105,474
6. Payments to States and Territories	26,975,307	22,215,000	28,575,000
7. Construction of improvements, Salt Lake City, Utah			16,000
Total obligations	27,703,257	22,899,403	29,264,474
Financing:			
Unobligated balance brought forward	−4,825	−10,929	
Unobligated balance carried forward	10,929		
New obligational authority	27,709,361	22,888,474	29,264,474
New obligational authority:			
"Forest fire prevention"	$22,380	$20,000	$20,000
"Restoration of forest lands and improvements"		100,000	100,000
"Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund"	47,951	48,000	48,000
"Payments due counties, submarginal land program, Farm Tenant Act"	558,249	400,000	400,000
"Payments to school funds, Arizona and New Mexico, act of June 20, 1910" (indefinite general fund)	105,474	105,474	105,474
"Payments to States and Territories from the national forests fund"	26,975,307	22,215,000	28,575,000
"Construction of improvements, Salt Lake City, Utah"			16,000
Appropriation	27,709,361	22,888,474	29,264,474

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 (18 U. S. C. 711).

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2. *Restoration of forest lands and improvements.*—Funds received from settlement of claims involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement or forfeiture (72 Stat. 217).

3. *Payment to Minnesota.*—At the close of each fiscal year the State of Minnesota is paid 0.75% 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).

4. *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).

5. *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).

6. *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).

7. *Construction of improvements, Salt Lake City, Utah.*—Funds from sale of Forest Service property to Salt Lake City will be used for construction of a fire warehouse and related facilities (72 Stat. 589).

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	2	3	3
	Full-time equivalent of all other positions		7	7
	Average number of all employees	2	12	12
	Number of employees at end of year	2	3	3
	Average GS grade and salary	6.6 $5,008	6.7 $5,589	6.8 $5,589
01	Personal services:			
	Permanent positions	$8,624	$22,710	$22,710
	Positions other than permanent		39,558	39,558
	Other personal services	110	8,158	8,245
	Total personal services	8,734	70,426	70,513
02	Travel		3,900	3,900
03	Transportation of things		100	100
04	Communication services	2,500	3,500	3,500
05	Rents and utility services		100	100
06	Printing and reproduction	3,219	5,700	5,700
07	Other contractual services	25	10,483	10,483
	Services performed by other agencies		5,900	5,900
08	Supplies and materials	1,336	10,700	10,613
09	Equipment		500	500
10	Lands and structures		8,100	24,100
11	Grants, subsidies, and contributions	27,687,443	22,779,210	29,128,281
15	Taxes and assessments		784	784
	Total obligations	27,703,257	22,899,403	29,264,474

Intragovernmental funds:

WORKING CAPITAL FUND, FOREST SERVICE

This fund finances on a reimbursable basis 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 (16 U. S. C. 579b). These service operations serve 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, and individuals engaged in the same objectives. Government investment in the fund as of June 30, 1958, including donated assets at its inception and retained earnings for fiscal year 1958, is $15,379,340. By the end of 1960 the investment is anticipated to be $18,524,340, an increase of $3,145,000, which represents estimated earnings and donations during 1959 and 1960.

Sources and Applications of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Equipment and supply service:			
Acquisition of equipment	$2,751,667	$3,251,820	$3,449,820
Expense:			
Purchase of commodities and materials	3,869,470	4,292,000	4,691,000
Other expense	6,347,672	6,455,180	6,426,000
Increase in selected working capital	777,388	290,742	140,180
Total gross expenditures	13,746,197	14,289,742	14,707,000
Receipts from operations (funds provided):			
Equipment and supply service:			
Revenue	13,171,218	13,784,000	14,284,000
Proceeds from sale of equipment	652,414	496,000	483,000
Selected working capital assumed	7,065		
Total receipts from operations	13,830,697	14,280,000	14,767,000
Budget expenditures	−84,500	9,742	−60,000

Revenue, Expense, and Retained Earnings

Equipment and supply service:			
Revenue	$13,171,218	$13,784,000	$14,284,000
Expense	13,045,906	13,743,000	14,234,000
Net operating income, equipment and supply service	125,312	41,000	50,000
Nonoperating income:			
Proceeds from sale of equipment	652,414	496,000	483,000
Net book value of equipment sold (−)	−243,819	−110,000	−120,000
Net nonoperating income	408,595	386,000	363,000
Net income for the year	533,907	427,000	413,000
Retained earnings, beginning of year	104,388	638,295	1,065,295
Retained earnings, end of year	638,295	1,065,295	1,478,295

Financial Condition

Assets:			
Cash with Treasury	$1,506,266	$1,496,524	$1,556,524
Accounts receivable	1,686,235	1,778,000	2,100,000
Advances	1,104	2,000	2,000
Commodities, materials, and supplies	813,820	820,000	1,030,000
Equipment, net	13,273,816	15,343,636	15,721,456
Total assets	17,281,241	19,440,160	20,409,980
Liabilities:			
Current	1,901,901	1,703,820	1,885,640
Government investment:			
Non-interest-bearing capital:			
Start of year	12,990,606	14,741,045	16,671,045
Assets assumed during the year	1,750,439	1,930,000	375,000
End of year	14,741,045	16,671,045	17,046,045
Retained earnings	638,295	1,065,295	1,478,295
Total Government investment	15,379,340	17,736,340	18,524,340

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $875,622; 1958, $1,214,426; 1959, $1,280,000; 1960, $931,705.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	544	559	559
	Full-time equivalent of all other positions	78	112	112
	Average number of all employees	624	683	683
	Number of employees at end of year	681	726	726
	Average GS grade and salary	6.6 $5,008	6.7 $5,589	6.8 $5,589
	Average salary of ungraded positions	$4,337	$4,569	$4,569
01	Personal services:			
	Permanent positions	$2,726,498	$2,934,684	$2,934,684
	Positions other than permanent	369,624	421,365	421,365
	Other personal services	49,027	95,900	107,203
	Total personal services	3,145,149	3,451,949	3,463,252
02	Travel	145,734	150,000	150,000
03	Transportation of things	98,041	110,000	110,000
04	Communication services	54,612	60,000	60,000
05	Rents and utility services	131,122	135,000	135,000
06	Printing and reproduction	20,231	20,000	20,000

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FOREST SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, FOREST SERVICE—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$816,554	$989,484	$998,353
Services performed by other agencies	258,251	260,000	250,000
08 Supplies and materials	4,559,759	4,641,180	4,613,600
09 Equipment	3,916,042	4,078,193	4,247,820
11 Grants, subsidies, and contributions	152,337	164,207	165,000
13 Refunds, awards, and indemnities	1,217	1,500	1,500
15 Taxes and assessments	18,821	13,457	13,500
Subtotal	13,317,870	14,074,970	14,228,025
Deduct quarters and subsistence charges	9,153	9,500	9,500
Total obligations	13,308,717	14,065,470	14,218,525

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. 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	$503,923	$1,600,000	$1,600,000
2. Construction and maintenance of roads, trails, and other improvements	904,257	1,500,000	1,500,000
3. Forest fire protection and suppression	703,329	1,000,000	1,000,000
4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands	443,325	720,000	720,000
5. Insect and disease control	73,923	200,000	200,000
6. Forest research at experimental forests and ranges	258,307	330,000	330,000
7. Investigations at Forest Products Laboratory	856,859	1,080,000	1,080,000
8. Forest resources surveys and investigations	128,697	160,000	160,000
9. Cooperation in forest fire control, forest management and processing, and forest tree planting	347,309	593,000	593,000
Total obligations	4,219,929	7,183,000	7,183,000
Financing:			
Advances and reimbursements from—			
Other accounts	3,532,453	6,228,000	6,228,000
Non-Federal sources (16 U. S. C. 504a, 572, 580, 580a; 40 U. S. C. 481 (c))	687,476	955,000	955,000
Total financing	4,219,929	7,183,000	7,183,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	320	388	388
Full-time equivalent of all other positions	187	390	390
Average number of all employees	537	840	840
Number of employees at end of year	496	685	685
Average GS grade and salary	6.6 $5,008	6.7 $5,589	6.8 $5,589
Average salary of ungraded positions	$4,337	$4,569	$4,569
01 Personal services:			
Permanent positions	$1,862,229	$2,569,252	$2,569,252
Positions other than permanent	602,109	1,166,614	1,166,614
Other personal services	111,812	93,782	103,680
Total personal services	2,576,150	3,829,648	3,839,546
02 Travel	54,357	120,000	120,000
03 Transportation of things	14,061	35,000	35,000
04 Communication services	15,840	30,000	30,000
05 Rents and utility services	38,994	48,000	48,000
06 Printing and reproduction	19,127	20,000	20,000
07 Other contractual services	$390,877	$958,997	$958,834
Services performed by other agencies	449,191	881,040	881,000
08 Supplies and materials	511,064	966,100	956,300
09 Equipment	72,120	95,000	95,000
10 Lands and structures	21,946	40,000	40,000
11 Grants, subsidies, and contributions	72,466	160,030	160,100
13 Refunds, awards, and indemnities	123	2,000	2,000
15 Taxes and assessments	13,371	31,585	31,620
Subtotal	4,249,687	7,217,400	7,217,400
Deduct quarters and subsistence charges	29,758	34,400	34,400
Total obligations	4,219,929	7,183,000	7,183,000

Proposed for later transmission:

FOREST PROTECTION AND UTILIZATION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Forest land management: (b) Fighting forest fires (total obligations)		$7,500,000	
Financing:			
Proposed supplemental appropriation		7,500,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $7,500,000 is anticipated for fighting forest fires.

GENERAL PROVISIONS

SEC. 401. 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 [466] *four hundred and twenty-five* passenger motor vehicles of which [462] *four hundred and twenty-three* shall be for replacement only, and for the hire of such vehicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 403. 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. 404. 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. 405. 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. 406. 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, *and September 6, 1958* (7 U. S. C. 427, 1621–1629; *72 Stat. 1793*), shall be available for contracting *or grants* in accordance with said Acts.

SEC. 407. 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, 1959.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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								
Salaries and expenses:								
Research	52	$78,000	52	$14,300	$63,700	323	$24,500	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	12	23,400	11	2,750	20,650	23	500	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 privates vehicle allowed on Island.
Bus	1	5,000			5,000	5		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.	181	271,500	181	49,775	221,725	575	150,000	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.
Meat inspection						16	17,000	Inspection personnel: Transportation to slaughter houses 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						5		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.	246	377,900	244	66,825	311,075	952	192,000	
SOIL CONSERVATION SERVICE								
Conservation operations	131	186,400	133	30,200	156,200	689	77,000	State and area conservationists, technical specialists, and survey supervisors: Transportation in connection with supervision and inspection of service activities in conservation districts.
Station wagon						3		Do.
Watershed protection	1	1,400	1	200	1,200	22	1,000	Project personnel: Transportation for investigation and planning of proposed small watershed projects; surveying and supervising installation of work of improvement in authorized projects, and for negotiating with local sponsors of projects; for investigating the agricultural phases of proposed river basin projects.
Station wagon	2	3,600			3,600	34	5,500	Do.
Flood prevention	8	11,200	8	1,600	9,600	50	1,000	Project personnel: Transportation in connection with surveying and supervising the installation of works of improvement in authorized flood prevention projects.
Station wagon						5	500	Do.
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						9	1,000	Assistant State conservationists: Transportation in connection with supervision and inspection of Service activities in Great Plains conservation program in field offices of 10 Great Plains States.
Total, Soil Conservation Service.	142	202,600	142	32,000	170,600	815	86,000	
AGRICULTURAL MARKETING SERVICE								
Marketing research and service:								
Marketing research and agricultural estimates.	13	19,500	13	2,925	16,575	46	15,000	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 preparation of crop and livestock estimates.
Marketing services	17	25,500	17	3,825	21,675	76	52,000	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, handling of violations with respect to administration of United States Warehouse, Federal Seed, Packers and Stockyards, and Naval Stores Acts.
Station wagon						6		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, Agriculture.	10	15,000	10	2,250	12,750	67	54,000	Inspectors and graders: For use in inspecting and grading farm and food products—paid from fees received from producers for which services are performed.
Perishable Agricultural Commodities Act fund, Agriculture.							3,000	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.	40	60,000	40	9,000	51,000	195	124,000	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960—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)				
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.
Station wagon							575	Do.
Technical cooperation, general, executive (transfer to Agriculture): Station wagon.							575	Do.
Total, Foreign Agricultural Service.							2,100	
COMMODITY STABILIZATION SERVICE								
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.						2	1,400	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	19	[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 various loan programs.
OFFICE OF THE SECRETARY								
Salaries and expenses	1	1,500	1	500	1,000		[1] 1,000	Secretary of Agriculture, under secretary, assistant secretaries, and members of their immediate staffs, as well as heads and and other responsible officials of staff offices which comprise the Office of the Secretary: For transportation in District of Columbia.
FOREST SERVICE								
Working capital fund	63	94,500	66	22,242	72,258	524	[2] 235,000	Forest rangers, forest supervisors, regional foresters and directors, and other field officers: For use in protection, management, utilization, and development of national forests; and in 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	12	23,400	9	3,025	20,375	55		Do.
Bus						4		Do.
Total, Forest Service	75	117,900	75	25,267	92,633	583	235,000	
Total, Department of Agriculture.	[3] 510	768,900	508	135,092	633,808	2,566	651,000	

[1] Includes $500 estimated for payments other than to motor pools.
[2] Includes $45,000 estimated for payments to other than motor pools.
[3] Includes 10 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 1960

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	1	$15,000	1	$1,000	$14,000	2	$9,000	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.	1	17,000	1	1,000	16,000	5	20,000	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	32,000	2	2,000	30,000	7	29,000	
FOREST SERVICE								
Working capital fund	3	390,000	3	20,000	370,000	30	210,000	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 scope and seriousness of infestations in forested areas, and directing and evaluating effectiveness of control operations.
Total, Department of Agriculture.	5	422,000	5	22,000	400,000	37	239,000	

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DEPARTMENT OF COMMERCE

New obligational authority recommended for 1960 for the Department of Commerce totals $559 million, an increase of $85 million over 1959. The major increases are for the eighteenth decennial census and for a proposed program of aid to areas of persistent unemployment. Expenditures are estimated to rise from $418 million to $476 million.

The totals for the Department now exclude for the 3 years shown the activities of the Civil Aeronautics Administration, which became part of the new Federal Aviation Agency on January 1, 1959, and of the Civil Aeronautics Board, which appear in the chapter on independent offices. Moreover, since highway activities are financed predominantly through the highway trust fund, their impact on the budget totals shown for the Department is relatively minor. As a result of these exclusions, maritime activities now represent approximately 50% of the total new obligational authority requested for the fiscal year 1960 for the Department. Promotion of science and research by the Bureau of the Census and the National Bureau of Standards accounts for another 21%, and various aids to business, including the proposed legislation for assistance to chronic labor surplus areas, for 29%.

Economic and technical development.—The new obligational authority provided in 1959 will make it possible to complete the Inter-American Highway without additional authorizations.

Promotion of science and research.—New obligational authority and expenditures for the Bureau of the Census will increase by $76 million and $60 million, respectively, in 1960. The decennial census of population, housing, and agriculture will be taken and processing of the 1958 censuses of business, manufactures, and mineral industries will be largely completed. The 1960 budget reflects consolidation of construction statistics in the Bureau of the Census and transfer of responsibility for monthly labor statistics to the Bureau of Labor Statistics.

The appropriation requested for the National Bureau of Standards for research and technical services will increase by $5 million to permit intensified research on high temperature, high pressure, and high purity phenomena. Funds are also provided to enlarge facilities at the Boulder, Colo., laboratory.

Promotion of water transportation.—New obligational authority of $279 million, down from $290 million in 1959, is recommended for maritime activities in 1960. Of this amount, $129 million is for another installment of the program to replace the large block of merchant ships built during World War II and $130 million is for ship operating subsidies in 1960. For 1959 a supplemental request of $10 million for operating subsidies is anticipated. In order to control future increases for these subsidies, the number of voyages that can be covered by subsidy contracts would be limited to 2,040. The remaining $20 million of new obligational authority for maritime programs is to cover the administrative costs of the Maritime Administration and various maritime training activities.

Provision of highways.—The Federal-aid highway program is financed from the highway trust fund, and new obligational authority and expenditures, therefore, are not included in budget totals. Legislation is being proposed to transfer the financing of the Department's forest and public lands highways programs for 1960 to the highway trust fund, since most of these highways are on the Federal-aid highway system. Accordingly, beginning with 1960, the expenditures for forest and public lands highways amounting to $41 million in 1960, are not included in budget totals.

An increase of one and one-half cents in the Federal gasoline tax, to remain in force through the fiscal year 1964, is being recommended to prevent a prospective deficit in 1960 and to maintain the highway trust fund on a self-supporting basis.

In 1960, budget expenditures of the Department for highways will be confined to the Woodrow Wilson Memorial Bridge over the Potomac and other miscellaneous programs, none of which requires new obligational authority.

Other aids to business.—The 1960 budget will permit continuance of the 1959 level for most of the programs of the Department which promote foreign trade, provide information and statistical services to business, grant patents, prepare aeronautical and nautical charts, establish geodetic controls, prepare analyses of business trends, and provide various other business aids.

New obligational authority estimated for 1960 includes $55 million to initiate a proposed program for loan and technical assistance to areas of substantial and persistent unemployment. Legislation to increase patent fees will again be submitted to the Congress in order to require those who receive the special benefits from Federal patents to bear a larger share of the costs of administering the patent system.

Regulation of commerce and finance.—The export control program will continue in 1960 at a rate slightly below 1959.

Civilian weather services.—New obligational authority for the Weather Bureau will be increased $6 million to improve weather services to aviation, permit continuation of hurricane research during 1960, maintain and operate new equipment, and continue the procurement of additional meteorological apparatus. Expenditures are estimated to rise somewhat less.

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
International affairs and finance:						
152 Economic and technical development	$12,000	$10,000		$19,890	$24,000	$21,000
Labor and welfare:						
215 Promotion of science, research, libraries, and museums	22,705	40,388	$120,484	16,414	40,650	105,490
Commerce and housing:						
511 Promotion of water transportation	121,832	290,086	278,816	173,714	212,437	232,059
512 Promotion of highways	38,000	36,000		31,229	36,139	3,100
513 Promotion of aviation					−34	3
518 Other aids to business	46,357	48,448	105,275	43,190	53,339	60,479
519 Regulation of commerce and finance	3,166	3,197	2,832	3,043	3,260	2,854
Total, commerce and housing	209,355	377,731	386,923	251,176	305,141	298,495
General government:						
607 Civil weather services	39,815	45,583	51,855	39,274	48,522	50,966
Total, Department of Commerce	283,875	473,702	559,262	326,753	418,313	475,951

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
GENERAL ADMINISTRATION												
Current authorizations:												
Salaries and expenses	518	$2,778	$2,674	$238	$2,940	$2,654	$2,775	$225	$3,000	$2,906	$13	$2,919
Public enterprise funds:												
Aviation war risk insurance revolving fund	513						−34		−34	3		3
Intragovernmental funds:												
Working capital fund	518					51	−33		−33	−20		−20
Advances and reimbursements	518					−20						
Total, general administration		2,778	2,674	238	2,940	2,685	2,708	225	2,933	2,889	13	2,902
BUREAU OF THE CENSUS												
Current authorizations:												
Salaries and expenses	215	8,189	8,050	667	8,720	7,652	8,001	640	8,641	8,741	27	8,768
1958 censuses of business, manufactures, and mineral industries	215	1,043	7,000	451	6,049	962	6,269	433	6,702	6,365	18	6,383
Reappropriation			10									
Eighteenth decennial census	215	3,269	7,000	408	86,500	1,879	7,717	392	8,109	68,565	16	68,581
Census of governments	215	20	350	40		741	473	38	511	96	2	98
Censuses of business, manufactures, and mineral industries	215					138						
National housing inventory	215					−2						
Census of agriculture	215					35						
Intragovernmental funds:												
Advances and reimbursements	215					−302						
Total, Bureau of the Census		12,521	22,410	1,566	101,269	11,103	22,460	1,503	23,963	83,767	63	83,830
COAST AND GEODETIC SURVEY												
Current authorizations:												
Salaries and expenses	518	11,828	12,029	697	14,100	11,897	11,607	665	12,272	13,903	32	13,935
Construction of surveying ships	518	2,400				594	5,217		5,217	269		269
Construction and equipment, geomagnetic station	518		400			2	172		172	228		228
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	518			48				45	45		3	3
Total, Coast and Geodetic Survey		14,228	12,429	745	14,100	12,492	16,996	710	17,706	14,400	35	14,435
BUSINESS AND DEFENSE SERVICES ADMINISTRATION												
Current authorizations:												
Salaries and expenses	518	5,890	7,037	604	6,030	5,785	6,862	574	7,436	6,050	30	6,080
Salaries and expenses, Office of Area Development	518	396				377						
Intragovernmental funds:												
Advances and reimbursements	518					4						
Total, Business and Defense Services Administration		6,286	7,037	604	6,030	6,165	6,862	574	7,436	6,050	30	6,080
BUREAU OF FOREIGN COMMERCE												
Current authorizations:												
Salaries and expenses	518	2,449	2,419	215	3,800	2,305	2,479	205	2,684	3,672	10	3,682
Export control	519	3,166	3,060	137	2,832	3,043	3,130	130	3,260	2,847	7	2,854
Total, Bureau of Foreign Commerce		5,615	5,479	352	6,632	5,347	5,609	335	5,944	6,519	17	6,536
OFFICE OF BUSINESS ECONOMICS												
Current authorizations:												
Salaries and expenses	518	1,071	1,150	102	1,405	1,020	1,199	97	1,296	1,390	5	1,395
Intragovernmental funds:												
Advances and reimbursements	518					−9	15		15			
Total, Office of Business Economics		1,071	1,150	102	1,405	1,011	1,214	97	1,311	1,390	5	1,395

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
MARITIME ACTIVITIES												
Current authorizations:												
Ship construction	511	$3,000	$141,475		$129,000	$38,296	$65,000		$65,000	$87,000		$87,000
Ship construction (liquidation of contract authorization)	511					70	1,000		1,000			
Operating-differential subsidies	511	35,000	120,000		130,000	120,032	120,361		120,361	130,000		130,000
Reappropriation	511	65,000										
Salaries and expenses	511	15,775	14,525	$834	14,070	15,623	14,000	$775	14,775	14,041	$59	14,100
Maritime training	511	2,409	2,462	130	2,900	2,333	2,580	119	2,700	2,839	11	2,850
State marine schools:												
Appropriation	511	648	660		150	736	600		600	1,047		1,047
Appropriation to liquidate contract authorization	511				(960)							
War Shipping Administration liquidation	511					864	2,000		2,000			
Repair of reserve fleet vessels (liquidation of contract authorization)	511					679	99		99			
Construction fund, prior year	511					67	25		25			
Vessel operations functions	511					8	98		98			
Permanent authorization:												
State marine schools (contract authorization)	511				2,696							
Public enterprise funds:												
Federal ship mortgage insurance fund	511					3,546	−1,718		−1,718	−2,741		−2,741
Vessel operations revolving fund	511					−8,268	−1,351		−1,351	1,213		1,213
War risk insurance revolving fund	511					−281	−530		−530	−480		−480
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Operating-differential subsidies	511			10,000				10,000	10,000			
Total, maritime activities		121,832	279,122	10,964	278,816	173,705	202,164	10,895	213,059	232,919	70	232,989
INLAND WATERWAYS CORPORATION												
Public enterprise funds:												
Inland Waterways Corporation fund	511					9	−622		−622	−930		−930
Limitation on administrative expenses, Inland Waterways Corporation	511	(4)	(2)		(2)							
PATENT OFFICE												
Current authorizations:												
Salaries and expenses	518	19,545	19,000	1,520	22,000	18,532	19,555	1,445	21,000	21,833	75	21,908
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	518			315				235	235		80	80
Total, Patent Office		19,545	19,000	1,835	22,000	18,532	19,555	1,680	21,235	21,833	155	21,988
BUREAU OF PUBLIC ROADS												
Current authorizations:												
Limitation on general administrative expenses (trust fund)		(25,667)	(26,239)	(2,035)	(29,540)							
Federal-aid highways (trust fund) (liquidation of contract authorization)		(1,690,000)	(2,350,000)		(2,840,000)							
Forest highways:												
Liquidation of contract authorization	512	(25,000)	(30,000)			22,676	28,003		28,003			
Liquidation of contract authorization (trust fund)					(37,100)							
Public lands highways:												
Liquidation of contract authorization	512	(3,033)	(2,692)			2,773	3,680		3,680			
Liquidation of contract authorization (trust fund)					(4,000)							
Inter-American Highway	152	12,000	10,000			19,890	24,000		24,000	21,000		21,000
Woodrow Wilson Memorial Bridge	512					681	2,400		2,400	2,500		2,500
Access roads (act of Sept. 7, 1950)	512					648	900		900	600		600
Construction, operation and maintenance of roads, Alaska	512					4,121	878		878			
Reimbursement to the highway fund, District of Columbia	512					200						
Elimination of grade crossings	512					130						
Surveys and plans	512						278		278			

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
BUREAU OF PUBLIC ROADS—Continued												
Permanent authorizations:												
Forest highways (contract authorization)	512	$35,000	$33,000									
Public lands highways (contract authorization)	512	3,000	3,000									
Total, Bureau of Public Roads		50,000	46,000			$51,119	$60,139		$60,139	$24,100		$24,100
NATIONAL BUREAU OF STANDARDS												
Current authorizations:												
Research and technical services	215	9,726	11,500	$828	$17,500	9,534	11,631	$756	12,387	16,442	$72	16,514
Plant and facilities	215	457	786	23	1,715	371	1,087	21	1,108	1,455	2	1,457
Construction of facilities	215		3,000			7	1,629		1,629	1,704		1,704
Construction of laboratories	215					2	10		10			
Intragovernmental funds:												
Working capital fund	215					−4,807	1,281		1,281	1,959		1,959
Advances and reimbursements	215					205	20		20	3		3
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Expenses	215			262				240	240		22	22
Plant and equipment	215			12				11	11		1	1
Total, National Bureau of Standards		10,184	15,286	1,126	19,215	5,311	15,658	1,029	16,687	21,563	97	21,660
WEATHER BUREAU												
Current authorizations:												
Salaries and expenses	607	39,215	41,158	2,850	48,855	37,892	42,382	2,719	45,101	46,258	131	46,389
Establishment of meteorological facilities	607	600	1,575		3,000	1,374	3,421		3,421	4,577		4,577
Intragovernmental funds:												
Advances and reimbursements	607					8						
Total, Weather Bureau		39,815	42,733	2,850	51,855	39,274	45,803	2,719	48,522	50,835	131	50,966
AREA ASSISTANCE ACTIVITIES												
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation: Area assistance activities	518				55,000						10,000	10,000
Total new obligational authority and budget expenditures		283,875	453,320	20,382	559,262	326,753	398,546	19,767	418,313	465,335	10,616	475,951
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$180,875	$417,310		$501,566							
Appropriation to liquidate contract authorizations		(28,033)	(32,692)		(960)							
Reappropriations		65,000	10			$326,753		$398,546			$465,335	
Permanent authorizations:												
Contract authorizations		38,000	36,000		2,696							
Proposed for later transmission:												
Pay increase supplemental appropriations			9,744					9,235			510	
Other: Appropriations			10,638		55,000			10,532			10,106	
Total new obligational authority and budget expenditures		283,875	473,702		559,262	326,753		418,313			475,951	

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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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
GENERAL ADMINISTRATION										
Aviation war risk insurance revolving fund	513	----------	$4	$6	----------	$38	$4	----------	−$34	$3
MARITIME ACTIVITIES										
Federal ship mortgage insurance fund	511	$4,184	15	----------	$638	1,732	2,741	$3,546	−1,718	−2,741
Vessel operations revolving fund	511	18,616	8,185	6,255	26,884	9,536	5,042	−8,268	−1,351	1,213
War risk insurance revolving fund	511	76	72	17	357	602	497	−281	−530	−480
Total, maritime activities	------	22,876	8,272	6,272	27,879	11,870	8,280	−5,003	−3,599	−2,008
INLAND WATERWAYS CORPORATION										
Inland Waterways Corporation fund	511	1,061	365	8	1,052	987	937	9	−622	−930
Total, public enterprise funds	------	23,937	8,641	6,286	28,931	12,895	9,221	−4,994	−4,255	−2,936

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$115		$233		$145	$2,940	$2,774	$145		$166
Public enterprise funds:											
Aviation war risk insurance revolving fund					$34	34			3	$31	31
Defense production guaranties	$6	6	$6	6	6	6					(1)
Intragovernmental funds:											
Working capital fund	141	147	116	97	59	94			−20	79	115
Advances and reimbursements		14		26		26					26
Total, general administration	147	282	122	361	99	305	2,940	2,774	128	110	338
BUREAU OF THE CENSUS											
Current authorizations:											
Salaries and expenses		189		712		788	8,720	8,038	730		740
1958 censuses of business, manufactures, and mineral industries	47	54		264		884	6,049	5,588	795		550
Eighteenth decennial census				2,387		690	86,500	67,960	621		18,609
Census of governments	915	939	164	219		98			98		
Censuses of business, manufactures, and mineral industries	166	155									
National housing inventory											
Census of agriculture		47									
Intragovernmental funds:											
Advances and reimbursements				302		302					302
Total, Bureau of the Census	1,128	1,384	164	3,884		2,762	101,269	81,586	2,244		20,201
COAST AND GEODETIC SURVEY											
Current authorizations:											
Salaries and expenses		724		869		1,036	14,100	13,012	923		1,201
Construction of surveying ships	3,679	3,679	350	5,486		269			269		
Construction and equipment, geomagnetic station		2			35	228			228		
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Salaries and expenses						3			3		
Total, Coast and Geodetic Survey	3,679	4,405	350	6,355	35	1,536	14,100	13,012	1,423		1,201
BUSINESS AND DEFENSE SERVICES ADMINISTRATION											
Current authorizations:											
Salaries and expenses		557		602		826	6,030	5,329	751		776
Salaries and expenses, Office of Area Development				18							
Intragovernmental funds:											
Advances and reimbursements		4									
Total, Business and Defense Services Administration		560		621		826	6,030	5,329	751		776
BUREAU OF FOREIGN COMMERCE											
Current authorizations:											
Salaries and expenses		188		326		276	3,800	3,420	262		393
Export control		117		230		167	2,832	2,694	160		145
Total, Bureau of Foreign Commerce		305		556		443	6,632	6,114	422		538
OFFICE OF BUSINESS ECONOMICS											
Current authorizations:											
Salaries and expenses		68		114		70	1,405	1,325	70		80
Intragovernmental funds:											
Advances and reimbursements	3	6	15	15							
Total, Office of Business Economics	3	74	15	129		70	1,405	1,325	70		80

[1] Excludes capital transfer of $6 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
MARITIME ACTIVITIES											
Current authorizations:											
Ship construction	$161,764	$208,182	$52,851	$172,887	$27,376	$249,361	$129,000	$5,000	$82,000	$21,976	$291,362
Ship construction (liquidation of contract authorization)	7,357	7,432	7,347	7,362							
Operating differential subsidies	20,392	20,392	361	361			130,000	130,000			
Salaries and expenses		346		677		1,043	14,070	13,075	1,025		1,013
Maritime training		263		336		229	2,900	2,635	215		279
State marine schools:											
Appropriations		156		61		121	2,846	932	115		184
Contract authorizations											1,736
War Shipping Administration liquidation		9,998		9,133							
Repair of reserve fleet vessels:											
Liquidation of contract authorization	460	823		99							
Contract authorizations	7,000	7,000									
Construction fund		92		25							
Vessel operation functions		106		98							
Public enterprise funds:											
Federal ship mortgage insurance fund	475	475	415	429	2,147	2,147			−2,741	4,888	4,888
Vessel operations revolving fund	4,510	7,208	14,538	11,976	14,481	13,328			1,213	13,493	12,114
War risk insurance revolving fund	377	346	711	628	1,215	1,157			−480	1,662	1,637
Total, maritime activities	202,335	262,820	76,222	204,070	45,218	267,386	278,816	151,642	81,347	42,018	313,213
INLAND WATERWAYS CORPORATION											
Public enterprise funds:											
Inland Waterways Corporation fund	4,753	5,332	5,802	5,323	6,782	5,945			−930	7,652	6,875
PATENT OFFICE											
Current authorizations:											
Salaries and expenses		1,373		2,368		1,888	22,000	20,020	1,888		1,980
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Salaries and expenses						80			80		
Total, Patent Office		1,373		2,368		1,968	22,000	20,020	1,968		1,980
BUREAU OF PUBLIC ROADS											
Current authorizations:											
Forest highways:											
Appropriation		2,779		5,103		7,100					(2)
Contract authorization	27,997	46,250	38,632	56,250	33,747	59,250					(2)
Public lands highways:											
Appropriation		728		988							
Contract authorization	1,570	3,725	2,430	3,692	60	4,000					(2)
Inter-American Highway	6,583	49,524	9,100	41,634	795	27,634			21,000	395	6,634
Woodrow Wilson Memorial Bridge	14,321	14,878	13,843	14,197	355	11,797			2,500		9,297
Access roads (act of Sept. 7, 1950)	1,418	2,924	982	1,934	576	1,034			600	393	434
Construction, operation, and maintenance of roads, Alaska	1,134	4,999	579	878							
Reimbursement to highway fund, District of Columbia	200	200									
Elimination of grade crossings		130									
Surveys and plans		278		278							
Total, Bureau of Public Roads	53,223	126,415	65,566	124,955	35,533	110,815			24,100	788	16,365
NATIONAL BUREAU OF STANDARDS											
Current authorizations:											
Research and technical services		1,140		1,326		1,267	17,500	15,278	1,236		2,253
Plant and facilities	268	412	255	498		199	1,715	1,258	199		457
Construction of facilities	336	340	333	333	340	1,704			1,704		
Construction of laboratories	48	62	50	60							
Intragovernmental funds:											
Working capital fund	8,048	3,924	7,714	8,607	4,170	7,306			1,959	3,462	5,347
Advances and reimbursements	17	235	14	32	11	12			3	8	9

[2] Balance rescinded.

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
NATIONAL BUREAU OF STANDARDS—Continued											
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Expenses						$22			$22		
Plant and equipment						1			1		
Total, National Bureau of Standards	$8,717	$6,113	$8,367	$10,858	$4,521	10,511	$19,215	$16,536	5,124	$3,470	$8,066
WEATHER BUREAU											
Current authorizations:											
Salaries and expenses		3,499		5,454		3,589	48,855	42,800	3,589		6,055
Establishment of meteorological facilities	2,032	8,181	1,369	7,407	448	5,561	3,000	423	4,154	759	3,984
Intragovernmental funds:											
Advances and reimbursements	25	159	17	150		150					150
Total, Weather Bureau	2,057	11,838	1,386	13,011	448	9,300	51,855	43,223	7,743	759	10,189
AREA ASSISTANCE ACTIVITIES											
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Area assistance activities							55,000	10,000		39,000	45,000
Total, Department of Commerce	276,043	420,902	157,993	372,490	92,636	411,867	559,262	351,561	124,390	93,797	424,822
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations shown above	$221,120	$346,071	$87,584	$284,958	$29,925	$318,004				$23,523	$346,592
Balances of anticipated pay increase supplementals not identified above						−510					
Subtotal	221,120	346,071	87,584	284,958	29,925	317,494	$504,262	$341,561	$123,774	23,523	[2] 346,592
Contract authorizations	36,567	56,975	41,062	59,942	33,807	63,250					[2] 1,736
Revolving and management funds	18,355	17,856	29,347	27,591	28,905	30,507				31,274	[1] 31,494
Proposed for later transmission:											
Appropriations						106				39,000	45,000
Balances of anticipated pay increase supplementals not identified above						510	55,000	10,000	616		
Subtotal						616				39,000	45,000
Total, Department of Commerce	276,043	420,902	157,993	372,490	92,636	411,867	559,262	351,561	124,390	93,797	424,822

[1] Excludes capital transfer in 1960 of $6 thousand.
[2] Excludes balances rescinded.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$346,071	$234,958	$317,494
Contract authorizations	56,975	59,942	63,250
Revolving and management funds	17,856	27,591	30,507
Proposed for later transmission:			
Pay increase supplemental appropriations			510
Other: Appropriations			106
Total balances brought forward	420,902	372,490	411,867
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	180,875	417,310	501,566
Appropriations to liquidate contract authorizations	(28,033)	(32,692)	(960)
Reappropriations	65,000	10	
Total new obligational authority under current authorizations	245,875	417,320	501,566
Permanent authorizations: Contract authorizations	38,000	36,000	2,696
Total new obligational authority enacted or recommended	283,875	453,320	504,262
Proposed for later transmission:			
Pay increase supplemental appropriations		9,744	
Other: Appropriations		10,638	55,000
Total new obligational authority proposed for later transmission		20,382	55,000
Total new obligational authority	283,875	473,702	559,262
Other amounts available:			
Net transfers of balances to (—) other agencies	—341		
Appropriations available in prior year		—2,411	
Appropriations available from subsequent year	2,411		
Total other amounts available	2,070	—2,411	
Total budget authorizations available	706,847	843,781	971,129
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	326,753	398,546	341,561
Out of balances of prior obligational authority			123,774
Total expenditures from obligational authority enacted or recommended	326,753	398,546	465,335
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		9,235	510
Other:			
Out of new obligational authority		10,532	10,000
Out of balances of prior obligational authority			106
Total expenditures from obligational authority proposed for later transmission		19,767	10,616
Total budget expenditures	326,753	418,313	475,951
Amounts no longer available:			
Unobligated balances rescinded		6,412	70,350
Unobligated balances expiring and lapsing	7,339		
Capital transfers from revolving funds to receipt accounts	124	56	6
Adjustment of balances downward in expired accounts, net	141	7,133	
Total amounts no longer available	7,604	13,601	70,356
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	284,958	317,494	346,592
Contract authorizations	59,942	63,250	1,736
Revolving and management funds	27,591	30,507	31,494
Proposed for later transmission:			
Pay increase supplemental appropriations		510	
Other: Appropriations		106	45,000
Total balances carried forward at close of year	372,490	411,867	424,822
Obligations incurred, net	$396,532	$530,180	$487,745

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GENERAL ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of Commerce, [$2,730,000] *including not to exceed $20,000 for official entertainment expenses, $2,940,000. (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, 1959.)*

Appropriated 1959, **$2,730,000** Estimate 1960, **$2,940,000**
Appropriated (adjusted) 1959, **$2,674,410**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction of the Department	$586,130	$672,585	$794,715
2. Departmental staff services	1,373,334	1,453,340	1,444,510
3. Administrative services	667,689	694,075	700,775
4. Air transport mobilization planning	78,333	81,515	
Total obligations	2,705,486	2,901,515	2,940,000
Financing:			
Comparative transfers to other accounts	67,651	10,895	
Unobligated balance no longer available	4,563		
New obligational authority	2,777,700	2,912,410	2,940,000
New obligational authority:			
Appropriation	$2,777,700	$2,730,000	$2,940,000
Transferred (64 Stat. 1263) to—			
"Salaries and expenses," Bureau of Foreign Commerce		−18,590	
"Salaries and expenses," Business and Defense Services Administration		−37,000	
Appropriation (adjusted)	2,777,700	2,674,410	2,940,000
Proposed supplemental due to pay increases		238,000	

Provides for the formulation of Government policy on matters affecting programs and functions assigned to the Department.

2. *Departmental staff services.*—Staff assistance and supervision in the general management and administration of the Department are provided in personnel, budget and management, information, publications, security, legal, and internal inspection.

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.*—The function of planning the mobilization of civilian air transportation facilities for use in time of war will be financed in 1960 by the Office of Civil and Defense Mobilization.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	325	328	309
Full-time equivalent of all other positions	3	2	2
Average number of all employees	318	314	305
Number of employees at end of year	327	300	306
Average GS grade and salary	9.0 $6,921	9.2 $7,791	9.4 $8,014
Average salary of ungraded positions	$3,813	$4,118	$4,133
01 Personal services:			
Permanent positions	$2,310,771	$2,489,505	$2,462,660
Positions other than permanent	30,846	19,445	17,245
Other personal services	17,489	18,515	28,160
Total personal services	2,359,106	2,527,465	2,508,065
02 Travel	33,407	35,000	33,600
03 Transportation of things	730	2,000	2,000
04 Communication services	45,202	46,000	46,000
05 Rents and utility services	5,383	6,000	6,000
06 Printing and reproduction	48,972	51,000	51,000
07 Other contractual services	32,004	35,300	96,000
08 Supplies and materials	29,405	32,000	32,000
09 Equipment	9,154	9,000	9,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$135,900	$153,050	$151,735
13 Refunds, awards, and indemnities	3,625	3,000	3,000
15 Taxes and assessments	2,598	1,700	1,600
Total obligations	2,705,486	2,901,515	2,940,000

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)] *August 23, 1958 (72 Stat. 803)*, 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] *1960* for aviation war risk insurance activities under said Act [(49 U. S. C. 711–722)] *(72 Stat. 800). (72 Stat. 800–806; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administrative expense (total costs—obligations)		$4,300	$6,400
Financing:			
Amounts becoming available: Revenue and receipts: Fees for issuance of binders		37,950	3,850
Unobligated balance brought forward			33,650
Total amounts available		37,950	37,500
Unobligated balance carried forward		−33,650	−31,100
Financing applied to program		4,300	6,400

This fund provides aviation war risk insurance in the event of an outbreak of war. Binders are issued to cover aircraft and cargo, and will become war risk insurance automatically on the outbreak of war. Administrative costs are paid out of fee receipts (72 Stat. 731).

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense		$4,300	$6,400
Receipts from operations (funds provided):			
Revenue		37,950	3,850
Budget expenditures		−33,650	2,550

Revenue, Expense, and Retained Earnings

Revenue		$37,950	$3,850
Expense		4,300	6,400
Net income or loss (−) for the year		33,650	−2,550
Retained earnings, beginning of year			33,650
Retained earnings, end of year		33,650	31,100

Financial Condition

Assets:			
Cash with Treasury		$33,650	$31,100
Government investment:			
Retained earnings		33,650	31,100

Status of Certain Fund Balances

Unexpended balance: Cash		$33,650	$31,100
Unobligated balance		33,650	31,100

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GENERAL ADMINISTRATION—Continued

Public enterprise funds—Continued

AVIATION WAR RISK INSURANCE REVOLVING FUND—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
01 Personal services: Other personal services		$1,000	$5,000
06 Printing and reproduction		400	200
07 Other contractual services		2,800	1,200
08 Supplies and materials		100	
Total obligations		4,300	6,400

DEFENSE PRODUCTION GUARANTIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	$5,883	$5,883	$5,883
Capital transfer (payment of profits to Treasury) (−)			−5,883
Unobligated balance carried forward	−5,883	−5,883	
Financing applied to program			

Guaranties are given on approved loans made by private sources or Federal Reserve banks to facilitate performance of defense production contracts. Guaranty fees are used to pay 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).

Owing to continued absence of activity, no estimate is submitted for 1960; however, pending possible need, the fund is being held intact until current legislative authority expires.

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$5,883	$5,883	$5,883
Payment of dividend to Treasury (−)			−5,883
Retained earnings, end of year	5,883	5,883	

Financial Condition

Assets:			
Cash with Treasury	$5,883	$5,883	
Government investment:			
Retained earnings	5,883	5,883	

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$5,883	$5,883	$5,883	
Unobligated balance	5,883	5,883	5,883	

Intragovernmental funds:

WORKING CAPITAL FUND

This fund finances duplicating, central stocks of office supplies, health services, relocation expenses, and other common departmental services which can be operated better on a centralized basis (5 U. S. C. 607). Duplicating facilities are being expanded gradually to care for increased workload in connection with technical publications and the impending 1960 decennial census. Sales are priced essentially at cost. Earnings are paid to the Treasury. Capital includes an appropriation of $100,000.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$90,225	$61,350	$25,000
Expense:			
Purchase of commodities for manufacture or sale	383,424	495,000	536,000
Other expense	1,333,500	1,454,500	1,472,500
Prior year expense, funded	12,121		
Total expense, funded	1,729,045	1,949,500	2,008,500
Increase in selected working capital	26,407		
Total gross expenditures	1,845,677	2,010,850	2,033,500
Receipts from operations (funds provided):			
Sales program: Revenue	1,791,819	1,989,500	2,053,500
Undistributed receipts: Proceeds from sale of equipment	3,273		
Decrease in selected working capital		54,711	
Total receipts from operations	1,795,092	2,044,211	2,053,500
Budget expenditures	50,585	−33,361	−20,000

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$1,791,819	$1,989,500	$2,053,500
Expense	1,757,616	1,989,500	2,053,500
Net operating income, sales program	34,203		
Nonoperating income:			
Proceeds from sale of equipment	3,273		
Net book value of assets sold (−)	−1,951		
Net gain from sale	1,322		
Net income for the year	35,525		
Analysis of retained earnings:			
Retained earnings, beginning of year	270,465	291,338	255,813
Prior year adjustments:			
Affecting working capital	−12,121		
Not affecting working capital	−2,531		
Payment of earnings to Treasury (−)		−35,525	
Retained earnings, end of year	291,338	255,813	255,813

Financial Condition

Assets:			
Cash with Treasury	$96,907	$94,743	$114,743
Accounts receivable	298,519	250,000	250,000
Advances	50,000	50,000	50,000
Commodities for sale	113,648	113,648	113,648
Capital improvements and equipment, net	335,914	357,264	337,264
Total assets	894,988	865,655	865,655
Liabilities:			
Current	253,808	260,000	260,000
Government investment:			
Non-interest-bearing capital:			
Start of year	349,652	349,842	349,842
Donated property	190		
End of year	349,842	349,842	349,842
Retained earnings	291,338	255,813	255,813
Total Government investment	641,180	605,655	605,655

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $22,038; 1958, $25,939; 1959, $25,939; 1960, $25,939.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	176	185	189
Average number of all employees	160	176	183
Number of employees at end of year	171	180	185
Average GS grade and salary	5.2 $4,470	5.5 $5,081	5.6 $5,197
Average salary of ungraded positions	$4,730	$5,016	$5,081
01 Personal services:			
Permanent positions	$760,538	$900,420	$946,080
Other personal services	15,117	13,580	17,420
Excess of annual leave earned over leave taken	384		
Total personal services	776,039	914,000	963,500
02 Travel	28,643	25,000	25,000
03 Transportation of things	1,354	1,500	1,550

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
04 Communication services	$341,118	$350,000	$340,000
05 Rents and utility services	29,972	28,000	25,700
06 Printing and reproduction	100,023	80,000	58,000
07 Other contractual services	13,117	10,000	10,000
08 Supplies and materials	381,199	480,000	521,000
09 Equipment	90,225	61,350	25,000
11 Grants, subsidies, and contributions	47,218	59,400	62,100
13 Refunds, awards, and indemnities	7,138	1,500	1,500
15 Taxes and assessments	96	100	150
Total accrued expenditures	1,816,142	2,010,850	2,033,500
Increase in unpaid undelivered orders	3,901		
Total obligations	1,820,043	2,010,850	2,033,500

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Government Patents Board:			
Department of Agriculture	$4,826	$5,400	$5,600
Department of Commerce	2,413	2,700	2,800
Department of Defense	47,298	52,900	54,300
Department of Health, Education, and Welfare	1,930	2,150	2,250
Department of the Interior	1,930	2,150	2,250
National Aeronautics and Space Administration	2,413	2,700	2,800
Total, Government Patents Board	60,810	68,000	70,000
2. Administrative services performed for other accounts:			
Bureau of Foreign Commerce	97,124	87,230	87,535
Business and Defense Services Administration	52,457	100,000	104,100
3. Miscellaneous services to other accounts	30,512	19,160	14,330
Total obligations	240,903	274,390	275,965
Financing:			
Comparative transfers to (—) other accounts	−242,589		
Advances and reimbursements from other accounts	491,155	274,390	275,965
Unobligated balance no longer available	−7,663		
Total financing	240,903	274,390	275,965

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

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	41		51		50	
Full-time equivalent of all other positions			1		1	
Average number of all employees	42		51		50	
Number of employees at end of year	44		51		50	
Average GS grade and salary	5.3	$4,759	4.8	$4,954	4.8	$5,028
Average salary of ungraded positions		$3,852		$4,153		$4,150
01 Personal services:						
Permanent positions		$204,203		$241,320		$243,075
Positions other than permanent		1,984		5,565		6,000
Other personal services		1,085		1,715		2,325
Total personal services		207,272		248,600		251,400
02 Travel		384		1,200		1,200
03 Transportation of things		5		100		100
04 Communication services		3,268		3,200		3,200
05 Rents and utility services		200		100		100
06 Printing and reproduction		12,993		800		800
07 Other contractual services		1,942		2,800		1,800
08 Supplies and materials		1,538		500		500
09 Equipment		899		1,000		1,000
11 Grants, subsidies, and contributions		12,047		15,590		15,665
13 Refunds, awards, and indemnities		115		300		
15 Taxes and assessments		240		200		200
Total obligations		240,903		274,390		275,965

BUREAU OF THE CENSUS

Current authorizations:

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, [$8,050,000] *$8,720,000.* (*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, 1959.*)

Appropriated 1959, **$8,050,000** Estimate 1960, **$8,720,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Retail, wholesale, and service trade statistics	$1,147,736	$1,321,446	$1,324,096
2. Manufacturing and industrial statistics	1,182,127	1,259,953	1,263,353
3. Agriculture statistics	191,765	210,213	210,763
4. Foreign trade and shipping statistics	1,990,912	2,116,768	2,214,768
5. Population statistics	1,967,099	2,044,008	967,558
6. Construction and housing statistics	148,434	217,897	1,098,697
7. State and local government statistics	248,957	276,168	276,943
8. Statistical abstract and special reports	286,679	293,754	294,444
9. General administration	1,003,956	976,793	1,069,378
10. 1959 program obligated in 1958	264	−264	
Total obligations	8,167,929	8,716,736	8,720,000
Financing:			
1959 appropriation available in 1958	−264	264	
Unobligated balance no longer available	21,055		
New obligational authority	8,188,720	8,717,000	8,720,000
New obligational authority:			
Appropriation	$8,188,720	$8,050,000	$8,720,000
Proposed supplemental due to pay increases		667,000	

The Bureau is the principal fact-finding and statistical agency of the Federal Government.

1. *Retail, wholesale, and service trade statistics.*—Estimates of sales and inventory trends are computed monthly for the retail and wholesale trades, and of consumer credit outstanding in the retail trade. An advance report of retail sales is issued within 10 days after the close of the month. Once a year, the retail sales data are reported in more detail, including estimates of total sales for the year by regions.

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.

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. In 1960, steps to improve the accuracy of the statistics are proposed.

5. *Population statistics.*—This activity includes current estimates of the number of households, the farm population, school enrollment, personal income, population mobility and other characteristics of the population, as well as annual estimates of the population of the United States and of each of the States, and projections of future

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BUREAU OF THE CENSUS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

population. Most of these current estimates are based on a continuing monthly survey of 35,000 interviewed households, which is also used in obtaining monthly estimates of national employment and unemployment. This survey has heretofore been wholly financed by this account, but since the monthly estimates of employment and unemployment are to be issued by the Department of Labor, beginning in 1960, that Department will share the financing of the survey.

6. *Construction and housing statistics.*—The estimate for 1960 provides an improved, integrated program of private and public construction statistics, including housing starts, previously compiled by the Bureau of Labor Statistics, and private nonresidential construction previously compiled by Business and Defense Services Administration. Data are also provided quarterly on housing vacancies.

7. *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.

8. *Statistical abstract and special reports.*—The Statistical Abstract issued annually summarizes 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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,141	1,157	1,154
Full-time equivalent of all other positions	315	296	276
Average number of all employees	1,320	1,314	1,293
Number of employees at end of year	1,753	1,745	1,654
Average GS grade and salary	6.6 $5,128	6.6 $5,651	6.6 $5,646
Average salary, ungraded positions	$4,609	$5,080	$5,080
1 Personal services:			
Permanent positions	$5,280,927	$5,792,422	$5,759,816
Positions other than permanent	952,536	924,680	900,180
Other personal services	160,832	169,600	190,600
Total personal services	6,394,295	6,886,702	6,850,596
02 Travel	390,988	435,966	450,255
03 Transportation of things	11,245	15,720	15,248
04 Communication services	253,845	257,900	271,890
05 Rents and utility services	201,836	120,377	136,317
06 Printing and reproduction	335,523	341,113	335,617
07 Other contractual services	65,538	35,429	36,691
Services performed by other agencies	77,701	77,723	78,491
08 Supplies and materials	89,131	131,371	134,163
09 Equipment	2,389	14,853	13,794
11 Grants, subsidies, and contributions	302,890	361,973	359,087
13 Refunds, awards, and indemnities	12,114	6,019	6,097
15 Taxes and assessments	30,170	31,854	31,754
1959 program obligated in 1958	264	−264	
Total obligations	8,167,929	8,716,736	8,720,000

1958 CENSUSES OF BUSINESS, MANUFACTURES, AND MINERAL INDUSTRIES

For *an additional amount for* expenses necessary for preparing for, taking, compiling, and publishing the 1958 censuses of business, manufactures, and mineral industries 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, [$7,000,000] *$6,049,000*, 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, 1958, shall be merged with this appropriation]. (*13 U. S. C. 23, 24, 131; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$7,000,000** Estimate 1960, **$6,049,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Census of business	$587,595	$4,460,034	$2,887,135
2. Census of manufactures	271,738	1,868,575	2,054,598
3. Census of mineral industries	88,969	441,759	496,853
4. General administration	131,415	690,936	610,414
5. 1959 program obligated in 1958	138,941	−138,941	
Total obligations	1,218,658	7,322,363	6,049,000
Financing:			
1959 appropriation available in 1958	−138,941	138,941	
Unobligated balance brought forward	−47,137		
Unobligated balance no longer available	10,304		
New obligational authority	1,042,884	7,461,304	6,049,000
New obligational authority:			
Appropriation	$1,042,884	$7,000,000	$6,049,000
Reappropriation		10,304	
Proposed supplemental due to pay increases		451,000	

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. Editing and tabulation of reports will be substantially completed and preliminary releases published in 1960. Funds to complete the tabulations and printing of final results will be requested in 1961.

	1958 actual	*1959 estimate*	*1960 estimate*
Preparatory work	$1,079,717	$421,583	
Data collection		3,148,601	$229,000
Data processing		3,891,120	5,618,000
Publication			202,000
Total	1,079,717	7,461,304	6,049,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	78	93	93
Full-time equivalent of all other positions	83	929	885
Average number of all employees	150	1,022	978
Number of employees at end of year	157	1,600	596
Average GS grade and salary	6.4 $5,128	6.6 $5,651	6.6 $5,646
Average salary of ungraded positions	$4,609	$5,080	$5,080
01 Personal services:			
Permanent positions	$416,850	$586,830	$600,780
Positions other than permanent	440,853	4,106,727	4,079,044
Other personal services	16,656	28,320	22,290
Total personal services	874,359	4,721,877	4,702,114
02 Travel	17,663	92,360	104,008
03 Transportation of things	1,481	24,125	12,911
04 Communication services	13,084	459,015	102,272
05 Rents and utility services	15,630	237,752	110,169
06 Printing and reproduction	68,613	415,535	248,667
07 Other contractual services	5,293	144,110	49,224
Services performed by other agencies	21,257	470,194	143,576
08 Supplies and materials	12,124	99,632	97,837
09 Equipment	894	548,682	238,191
11 Grants, subsidies, and contributions	46,362	225,778	220,094
13 Refunds, awards, and indemnities	278	2,374	569
15 Taxes and assessments	2,679	19,870	19,368
1959 program obligated in 1958	138,941	−138,941	
Total obligations	1,218,658	7,322,363	6,049,000

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, 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 appropria-

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tion; [$7,000,000] *$86,500,000,* 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, 1959.)*

Appropriated 1959, **$7,000,000** Estimate 1960, **$86,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Census of population	$796,495	$2,414,400	$48,097,970
2. Census of housing	258,683	1,016,489	17,455,736
3. Census of agriculture	330,302	1,164,041	17,576,294
4. Electronic equipment	1,671,447	2,234,781	270,000
5. General administration	212,344	578,289	3,100,000
6. 1959 program obligated in 1958	995,987	−995,987	
Total obligations	4,265,258	6,412,013	86,500,000
Financing:			
1959 appropriation available in 1958	−995,987	995,987	
New obligational authority	3,269,271	7,408,000	86,500,000
New obligational authority:			
Appropriation	$3,269,271	$7,000,000	$86,500,000
Proposed supplemental due to pay increases		408,000	

Enumeration of the Nation's farms will begin in the fall of 1959 and of population and housing in April 1960. Some preliminary figures will be available before the end of 1960, with final reports scheduled for 1961 and 1962. A part of the information will be obtained by sampling 1 of every 4 households. Present estimate of total cost is $118,000,000.

	1958 actual	*1959 estimate*	*1960 estimate*
Preparatory work	$3,269,271	$7,408,000	$8,093,000
Data collection			65,276,000
Data processing			13,131,000
Total	3,269,271	7,408,000	86,500,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	86	92	92
Full-time equivalent of all other positions	175	670	6,685
Average number of all employees	260	762	6,777
Number of employees at end of year	279	1,200	3,900
Average GS grade and salary	6.6 $5,128	6.6 $5,651	6.6 $5,646
Average salary of ungraded positions	$4,609	$5,080	$5,080
01 Personal services:			
Permanent positions	$509,803	$592,331	$603,371
Positions other than permanent	880,489	3,422,810	29,831,283
Other personal services	19,054	40,420	36,656,211
Total personal services	1,409,346	4,055,561	67,090,865
02 Travel	76,454	185,768	6,448,580
03 Transportation of things	12,733	18,144	587,470
04 Communication services	26,260	44,211	1,028,610
05 Rents and utility services	24,129	32,827	1,189,120
06 Printing and reproduction	32,734	382,097	2,293,355
07 Other contractual services	57,006	15,844	1,799,723
Services performed by other agencies	201,661	174,023	1,018,168
08 Supplies and materials	91,541	202,505	853,350
09 Equipment	1,261,802	2,120,030	2,014,445
11 Grants, subsidies, and contributions	69,269	162,186	703,568
13 Refunds, awards, and indemnities	365	2,838	3,000
15 Taxes and assessments	5,971	11,966	1,469,746
1959 program obligated in 1958	995,987	−995,987	
Total obligations	4,265,258	6,412,013	86,500,000

[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; $350,000.] *(13 U. S. C. 161; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$350,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Census of governments	$686,519	$496,246	
2. General administration	84,586	58,055	
Total obligations	771,105	554,301	
Financing:			
Unobligated balance brought forward	−915,031	−164,301	
Unobligated balance carried forward	164,301		
New obligational authority	20,375	390,000	
New obligational authority:			
Appropriation		$350,000	
Transferred from "Grants-in-aid for airports, Federal Airport Act," Federal Aviation Agency (72 Stat. 243)	$20,375		
Appropriation (adjusted)	20,375	350,000	
Proposed supplemental due to pay increases		40,000	

Final results of this census as to taxes and tax valuations, governmental receipts, expenditures, indebtedness, and employment of States, counties, cities, and other local governmental units will be published in 1959 and the program completed.

	1958 actual	*1959 estimate*
Data collection	$377,162	$42,000
Data processing	365,204	400,301
Publication	28,739	112,000
Total	771,105	554,301

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	8	7	
Full-time equivalent of all other positions	112	89	
Average number of all employees	120	96	
Number of employees at end of year	107	7	
Average GS grade and salary	6.6 $5,128	6.6 $5,651	
Average salary of ungraded positions	$4,609	$5,080	
01 Personal services:			
Permanent positions	$48,730	$46,433	
Positions other than permanent	488,910	367,365	
Other personal services	12,585	163	
Total personal services	550,225	413,961	
02 Travel	113,451	27,498	
03 Transportation of things	497	478	
04 Communication services	35,740	2,775	
05 Rents and utility services	9,604	4,722	
06 Printing and reproduction	15,205	52,612	
07 Other contractual services	3,764	22,733	
Services performed by other agencies	180	1,633	
08 Supplies and materials	5,223	4,975	
09 Equipment	6,508	258	
11 Grants, subsidies, and contributions	28,497	20,777	
13 Refunds, awards, and indemnities	420	50	
15 Taxes and assessments	1,791	1,829	
Total obligations	771,105	554,301	

Censuses of Business, Manufactures, and Mineral Industries

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Census of business	$57,635		
2. Census of manufacturers	45,355		
3. Census of mineral industries	33,526		
4. General administration	13,118		
Total obligations	149,634		
Financing:			
Unobligated balance brought forward	−165,835		
Unobligated balance no longer available	16,201		
Appropriation (new obligational authority)			

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BUREAU OF THE CENSUS—Continued

Current authorizations—Continued

CENSUSES OF BUSINESS, MANUFACTURES, AND MINERAL INDUSTRIES—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	20		
Full-time equivalent of all other positions	7		
Average number of all employees	17		
Number of employees at end of year	0		
Average GS grade and salary	6.6 $5,128		
Average salary of ungraded positions	$4,609		
01 Personal services			
Permanent positions	$51,058		
Positions other than permanent	24,913		
Other personal services	1,164		
Total personal services	77,135		
02 Travel	620		
03 Transportation of things	54		
04 Communication services	626		
05 Rents and utility services	2,706		
06 Printing and reproduction	59,546		
07 Other contractual services	1,526		
Services performed by other agencies	274		
08 Supplies and materials	2,260		
09 Equipment	34		
11 Grants, subsidies, and contributions	4,583		
13 Refunds, awards, and indemnities	18		
15 Taxes and assessments	252		
Total obligations	149,634		

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Special statistical services for—			
Department of Agriculture	$133,999	$28,837	$28,862
Department of the Air Force	184,860	175,774	180,346
Department of the Army	92,865	109,822	110,012
Department of Commerce	121,911	347,846	315,575
Department of Defense	545,870	433,015	433,699
Department of Labor			980,000
Federal Home Loan Bank Board	11,873	13,132	13,520
Federal Reserve Board		99,170	67,630
General Services Administration	28,618	29,061	29,745
Department of Health, Education, and Welfare	902.157	940,593	901,669
Department of the Interior		8,450	
National Capital Planning Commission	5,082		
National Science Foundation	44,298	65,239	40,560
Department of the Navy		5,969	
Office of Civil and Defense Mobilization	32,960	7,840	
Department of State (International Cooperation Administration)	6,369		
Treasury Department	126,441	164,520	164,562
Miscellaneous services to other agencies	131,897	148,835	292,590
Miscellaneous services to non-Federal agencies	147,354	135,194	135,230
2. General administration	318,292	296,703	296,000
Total obligations	2,834,846	3,010,000	3,990,000
Financing:			
Advances and reimbursements from—			
Other accounts	2,670,941	2,860,000	3,840,000
Non-Federal sources (13 U. S. C. 8 (d))	163,905	150,000	150,000
Total financing	2,834,846	3,010,000	3,990,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	226	226	307
Full-time equivalent of all other positions	248	277	379
Average number of all employees	474	503	684
Number of employees at end of year	553	570	966
Average GS grade and salary	6.6 $5,128	6.6 $5,651	6.6 $5,646
Average salary of ungraded positions	$4,265	$4,265	$4,265

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Permanent positions	$1,259,630	$1,286,000	$1,690,300
Positions other than permanent	944,999	1,048,000	1,384,000
Other personal services	41,426	50,000	50,000
Total personal services	2,246,055	2,384,000	3,124,300
02 Travel	184,789	198,800	337,300
03 Transportation of things	6,117	6,500	8,450
04 Communication services	42,452	45,000	63,600
05 Rents and utility services	72,870	77,000	82,800
06 Printing and reproduction	71,938	76,000	101,000
07 Other contractual services	31,412	34,000	39,800
Services performed by other agencies	3,525	3,700	3,700
08 Supplies and materials	38,619	40,000	44,650
09 Equipment	18,836	20,000	21,300
11 Grants, subsidies, and contributions	105,869	112,000	147,000
13 Refunds, awards, and indemnities	2,445	2,500	2,500
15 Taxes and assessments	9,919	10,500	13,600
Total obligations	2,834,846	3,010,000	3,990,000

CIVIL AERONAUTICS ADMINISTRATION

NOTE.—Pursuant to the Federal Aviation Act of 1958 (Public Law 85-726) the Administration has been transferred to and consolidated with the Federal Aviation Agency in the independent offices chapter.

CIVIL AERONAUTICS BOARD

NOTE.—Pursuant to the Federal Aviation Act of 1958 (Public Law 85-726) this Board has been transferred to the independent offices chapter.

COAST AND GEODETIC SURVEY

Current authorizations:

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* uniforms or allowances therefor, as authorized by the Act of September 1, 1954, 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 *an annual average of* 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; [$11,685,000] *$14,100,000,* of which [$622,000] *$695,000* 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, 1959.)*

Appropriated 1959, [a] **$12,028,500** Estimated 1960, **$14,100,000**

[a] Includes $343,500 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct program costs:			
1. Surveys and charts for marine and air navigation	$7,656,515	$8,359,300	$9,695,800
2. Geodetic control	2,379,795	2,337,100	2,336,100
3. Earthquake investigation	205,983	230,600	231,100
4. Instrument services	314,346	304,500	305,400
5. Retired pay, commissioned officers	548,040	660,000	695,000
6. Administration	845,206	889,693	892,293
Total direct program costs	11,949,885	12,781,193	14,155,693

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Direct program costs—Continued			
Unfunded adjustment: Property or services transferred in (−) without charge (net)	−$7,288		
Total direct program costs, funded	11,942,597	$12,781,193	$14,155,693
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−341,921	−55,693
Obligations incurred for costs of other years, net	135,678		
Total direct program (obligations)	12,078,275	12,439,272	14,100,000
Reimbursable costs:			
1. Surveys and charts for marine and air navigation	2,485,150	2,343,500	1,239,900
2. Geodetic control	1,366,015	1,716,700	1,493,700
3. Earthquake investigation	117,227	135,400	140,000
4. Instrument services	24,570	23,700	23,700
6. Administration	203,830	238,000	155,700
Total reimbursable program costs	4,196,792	4,457,300	3,053,000
7. Relation of costs to obligations:			
Obligations incurred for costs of other years, net	42,741		
Total reimbursable program (obligations)	4,239,533	4,457,300	3,053,000
Total program (obligations)	16,317,808	16,896,572	17,153,000
Financing:			
1959 appropriation available in 1958	−286,228	286,228	
Advances and reimbursements from—			
Other accounts	−3,418,760	−3,186,900	−1,870,200
Non-Federal sources	−751,470	−1,260,400	−1,172,800
Proceeds from sale of personal property applied (40 U. S. C. 481 (c))	−69,303	−10,000	−10,000
Unobligated balance no longer available	35,990		
New obligational authority	11,828,037	12,725,500	14,100,000
New obligational authority:			
Appropriation	$11,828,037	$12,028,500	$14,100,000
Proposed supplemental due to pay increases		697,000	

NOTE.—Capital outlay (included above) is as follows: 1958, $491,124; 1959, $395,393; 1960, $395,393. 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. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Miscellaneous receipts returned to the Treasury from the sale of charts and related publications were $681,827 in 1958 and are estimated to be $695,000 during 1959, and $735,000 in 1960.

CHARTS AND TABLES PRINTED AND DISTRIBUTED

	1958 actual	*1959 estimate*	*1960 estimate*
Nautical charts:			
Military	320,805	400,000	410,000
Other	620,188	690,000	765,000
Total	940,993	1,090,000	1,175,000
Standard aeronautical charts:			
Military	6,279,764	3,340,000	4,164,000
Other	1,710,306	1,706,000	1,740,000
Total	7,990,070	5,046,000	5,904,000
Airport, radio facility, etc.:			
Military	20,784,450	29,000,000	36,550,000
Other	6,128,452	10,726,000	16,020,000
Total	26,912,902	39,726,000	52,570,000
Coast pilots, tide and current tables	77,178	81,000	80,000

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; nautical charting; 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

	1958 actual	*1959 estimate*	*1960 estimate*
Triangulation:			
Area (square miles)	50,595	40,000	40,000
Marks established	995	1,100	1,100
Leveling:			
Linear miles	7,958	7,000	7,000
Marks established	5,800	5,000	5,000

3. *Earthquake investigation.*—Earthquakes are located and investigated to determine severity and to obtain engineering data for the design of earthquake-resistant structures and information concerning ground movements. The Bureau operates 9 seismograph and 71 strong motion stations, investigates about 15 severe earthquakes annually, and collaborates with 12 universities and 250 domestic and foreign seismograph stations. The seismic sea wave warning program furnished data for 4 alerts for earthquakes in Ecuador, Mexico, New Hebrides and Santa Cruz Islands.

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 costs and direct obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year (inventories and items on order):				
Stores (goods unconsumed by projects)	$262,391	$503,474	$505,800	$480,400
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	799,917	682,896	338,534	308,241
Inventory of charts and publications for sale	355,630	399,679	400,000	400,000
Work in process	66,348	26,206	26,000	26,000
Total selected resources at end of year	1,484,286	1,612,255	1,270,334	1,214,641
Selected resources at start of year (−)		−1,484,286	−1,612,255	−1,270,334
Adjustment of selected resources reported at start of year		7,709		
Costs financed from obligations of other years, net (−)			−341,921	−55,693
Obligations incurred for costs of other years, net		135,678		

Reimbursable program.—Reimbursable work for other Federal agencies is primarily for aeronautical and nautical charts of the United States and its Territories, hydrographic, oceanographic, and geodetic control surveys.

Reimbursements from non-Federal sources are primarily from States to carry out geodetic surveys required as part of the interstate highway program.

7. *Pelation of costs to obligations.*—Year-end balances of unpaid undelivered orders applicable to the reimbursable program are as follows:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$131,018	$151,199	$151,199	$151,199
Selected resources at start of year (−)		−131,018	−151,199	−151,199
Adjustment of selected resources reported at start of year		22,560		
Obligations incurred for costs of other years, net		42,741		

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COAST AND GEODETIC SURVEY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,585	1,677	1,690
Full-time equivalent of all other positions	565	483	451
Average number of all employees	2,092	2,106	2,087
Number of employees at end of year	2,187	2,199	2,198
Average GS grade and salary	6.5 $4,978	6.4 $5,548	6.4 $5,545
Average salary of ungraded positions:			
Wage board	$5,914	$6,182	$6,102
Crews of vessels	$3,269	$4,344	$4,457
Personal service costs:			
Permanent positions	$8,387,171	$9,357,300	$9,331,700
Positions other than permanent	1,780,458	2,019,600	1,919,100
Other personal services	597,837	510,300	485,000
Total personal service costs	10,765,466	11,887,200	11,735,800
Direct costs:			
01 Personal services	8,206,957	8,962,900	9,703,400
02 Travel	543,972	505,400	517,300
03 Transportation of things	93,306	80,400	80,600
04 Communication services	91,455	106,800	106,800
05 Rents and utility services	159,069	152,600	158,600
06 Printing and reproduction	65,870	110,700	110,700
07 Other contractual services	186,739	156,900	282,700
Repairs of vessels	74,969	114,300	226,800
08 Supplies and materials	771,040	768,900	970,400
Chart and bond paper	158,815	184,200	234,200
Repairs of vessels	89,618	51,400	68,900
09 Equipment	500,327	406,293	416,293
Repairs of vessels	5,818	20,200	40,200
11 Grants, subsidies, and contributions	441,917	496,300	539,900
12 Pensions, annuities, and insurance claims (pay of retired officers)	548,048	660,000	695,000
13 Refunds, awards, and indemnities	2,352		
15 Taxes and assessments	20,576	15,000	15,000
Subtotal	11,960,848	12,792,293	14,166,793
Deduct quarters and subsistence charges	11,023	11,100	11,100
Property or services transferred in (−) without charge (net)	−7,228		
Total direct costs	11,942,597	12,781,193	14,155,693
Costs financed from obligations of other years, net (−)		−341,921	−55,693
Obligations incurred for costs of other years, net	135,678		
Total direct obligations	12,078,275	12,439,272	14,100,000
Reimbursable costs:			
01 Personal services	2,558,509	2,924,300	2,032,400
02 Travel	361,737	360,600	282,100
03 Transportation of things	41,184	49,100	16,800
04 Communication services	12,887	30,900	12,800
05 Rents and utility services	62,479	73,200	12,500
06 Printing and reproduction	3,283		1,700
07 Other contractual services	72,888	86,900	47,800
Repairs of vessels	45,731	19,000	15,600
08 Supplies and materials	436,883	435,200	240,300
Repairs of vessels	24,108	51,100	8,500
Chart and bond paper	303,676	208,800	210,000
09 Equipment	129,997	57,800	64,800
Repairs of vessels	16,537	4,000	2,300
10 Lands and structures	15,000		
11 Grants, subsidies, and contributions	106,112	150,300	101,700
15 Taxes and assessments	5,781	6,100	3,700
Total reimbursable costs	4,196,792	4,457,300	3,053,000
Obligations incurred for costs of other years, net	42,741		
Total reimbursable obligations	4,239,533	4,457,300	3,053,000
Total obligations	16,317,808	16,896,572	17,153,000

[CONSTRUCTION AND EQUIPMENT, GEOMAGNETIC STATION]

[For design, construction, and equipment of a geomagnetic station, as authorized by the Act of August 6, 1947 (33 U. S. C. 833i), $400,000, to remain available until expended.] *(33 U. S. C. 833i; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$400,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design and supervision		$22,000	$10,500
2. Construction	$1,520	150,000	190,500
3. Equipment and outfitting			27,000
Total program costs	1,520	172,000	228,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−1,520		−193,000
Obligations incurred for costs of other years, net		193,000	
Total program (obligations)		365,000	35,000
Financing:			
Unobligated balance brought forward			−35,000
Recovery of prior year obligations	−178		
Unobligated balance carried forward		35,000	
Unobligated balance no longer available	178		
Appropriation (new obligational authority)		400,000	

This provides for the design, construction, and equipment of a geomagnetic station in Honolulu, T. H., to replace existing facilities which will become inoperative because of impending construction. Completion is anticipated in 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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,698		$193,000	
Selected resources at start of year (−)		−$1,698		−$193,000
Recovery of prior year obligations		178		
Costs financed from obligations of other years, net (−)		−1,520		−193,000
Obligations incurred for costs of other years, net			193,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel		$4,500	
06 Printing and reproduction		2,500	
07 Other contractual services		15,000	$10,500
09 Equipment			27,000
10 Lands and structures	$1,520	150,000	190,500
Total costs	1,520	172,000	228,000
Costs financed from obligations of other years (unpaid undelivered orders) net (−)	−1,520		−193,000
Obligations incurred for costs of other years, net		193,000	
Total obligations		365,000	35,000

CONSTRUCTION OF A SURVEYING SHIP

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design and supervision	$8,693	$66,307	
2. Construction	537,671	4,883,693	$253,102
3. Equipment and outfitting	47,402	266,607	15,991
Total program costs	593,766	5,216,607	269,093
4. Relation of costs to obligation:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−4,866,539	−269,093
Obligations incurred for costs of other years (unpaid undelivered orders), net	5,135,632		
Total program (obligations)	5,729,398	350,068	

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$3,679,466	−$350,068	
Unobligated balance carried forward	350,068		
Appropriation (new obligational authority)	2,400,000		

The ship construction program provides for the construction, equipment, and outfitting of a major survey vessel on which construction will be completed in July 1959.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $5,135,632; 1959, $269,093.

Object Classification

	1958 actual	1959 estimate	1960 estimate
COAST AND GEODETIC SURVEY			
09 Equipment	$47,402	$266,607	$15,991
ALLOCATION TO MARITIME ACTIVITIES			
07 Other contractual services	8,693	66,307	
09 Equipment	537,671	4,883,693	253,102
Total, maritime activities	546,364	4,950,000	253,102
Total costs	593,766	5,216,607	269,093
Costs financed from obligations of other years, net (−)		−4,866,539	−269,093
Obligations incurred for costs of other years, net	5,135,632		
Total obligations	5,729,398	350,068	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation "United States dollars advanced from foreign governments, United States educational exchange program," Department of State.

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Surveys and charts for marine and air navigation (total costs—obligations)		$47,600	
Financing:			
Proposed supplemental appropriation		47,600	

Under existing legislation, 1959.—A supplemental appropriation is anticipated for 1959 for pay increases for lithographic wage board employees in the Washington, D. C., area effective September 21, 1958.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Current authorizations:

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, $6,800,000] *$6,030,000.* (*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, 1959.*)

Appropriated 1959, **$6,800,000**
Appropriated (adjusted) 1959, **$7,037,000**
Estimate 1960, [a] **$6,030,000**

[a] Includes $300,000 for activities previously carried under "Salaries and expenses," Office of Area Development. The amount obligated in 1958 is shown in the schedule as a comparative transfer.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Industries and commodities	$2,843,467	$3,519,000	$1,819,000
2. Marketing and distribution	164,649	261,000	261,000
3. Technical information	455,287	1,001,000	1,001,000
4. Area development	395,393	218,100	300,000
5. Field offices	2,193,741	2,346,000	2,346,000
6. Executive direction	247,454	303,000	303,000
Total obligations	6,299,991	7,648,100	6,030,000
Financing:			
Comparative transfers from (−) other accounts	−440,280	−7,300	
Unobligated balance no longer available	29,795		
New obligational authority	5,889,506	7,640,800	6,030,000
New obligational authority:			
Appropriation	$5,889,506	$6,800,000	$6,030,000
Transferred (64 Stat. 1263) from—			
"Salaries and expenses," general administration		37,000	
"Salaries and expenses," Office of Area Development		200,000	
Appropriation (adjusted)	5,889,506	7,037,000	6,030,000
Proposed supplemental due to pay increases		603,800	

The Administration provides statistical and informational services to the business community and carries out industrial mobilization readiness programs.

1. *Industries and commodities.*—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 totals for the budget year reflect a transfer in the estimates of $1,700,000 to the Office of Civil and Defense Mobilization, representing the proportionate cost of mobilization planning activities heretofore financed under this appropriation.

2. *Marketing and distribution.*—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.

3. *Technical information.*—Domestic and foreign scientific and technical data are compiled primarily from Government research or translation and made available upon request to business, industry, the general public, and Government agencies. In addition, direct assistance is furnished to industry in development of voluntary programs for standardization of commodities.

4. *Area development.*—State, area, and community development groups are assisted in their efforts to diversify and strengthen their economies. Advice is given on (*a*) methods for determining industrial potentials of local resources, (*b*) growth industries suitable to local resources and (*c*) methods of community organization and programs of action.

5. *Field offices.*—Thirty-four field offices, with assistance from local cooperating organizations, make available to

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BUSINESS AND DEFENSE SERVICES ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	739	846	845
Full-time equivalent of all other positions	3	3	4
Average number of all employees	711	801	660
Number of employees at end of year	722	810	809
Average GS grade and salary	8.8 $7,041	8.7 $7,389	8.7 $7,411
01 Personal services:			
Permanent positions	$5,240,574	$5,958,400	$4,719,300
Positions other than permanent	33,788	31,000	42,000
Other personal services	23,972	25,600	22,000
Total personal services	5,298,334	6,015,000	4,783,300
02 Travel	123,677	179,500	121,600
03 Transportation of things	5,515	8,800	8,800
04 Communication services	146,830	166,000	136,200
05 Rents and utility services	373		
06 Printing and reproduction	127,667	322,400	298,500
07 Other contractual services	37,827	71,700	51,100
Services performed by other agencies	156,996	392,200	233,700
08 Supplies and materials	47,810	54,000	45,100
09 Equipment	30,369	45,000	39,500
11 Grants, subsidies, and contributions	315,362	386,000	304,700
13 Refunds, awards, and indemnities	6,815	5,000	5,000
15 Taxes and assessments	2,416	2,500	2,500
Total obligations	6,299,991	7,648,100	6,030,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Collection and dissemination of basic research (National Science Foundation)	$77,412	$50,000	
2. Dissemination of technical information	227,597	250,000	$250,000
3. Miscellaneous services to other accounts	88,255		
Total obligations	393,264	300,000	250,000
Financing:			
Advances and reimbursements from—			
Other accounts	165,667	50,000	
Non-Federal sources (15 U. S. C., 189a, 192; 31 U. S. C. 725s)	227,597	250,000	250,000
Total financing	393,264	300,000	250,000

Object Classification

Total number of permanent positions	27	17	12
Average number of all employees	22	16	11
Number employees at end of year	15	12	10
Average GS grade and salary	8.4 $6,272	5.0 $4,708	4.2 $4,500
01 Personal services: Permanent positions	$144,465	$75,000	$50,000
02 Travel	18,685		
03 Transportation of things	1,615	2,000	2,000
04 Communication services	11,854		
05 Rents and utility services	179		
06 Printing and reproduction	171,761	208,100	190,000
07 Other contractual services	29,931	10,000	5,000
08 Supplies and materials	5,015		
09 Equipment	328		
11 Grants, subsidies, and contributions	9,390	4,900	3,000
15 Taxes and assessments	41		
Total obligations	393,264	300,000	250,000

[OFFICE OF AREA DEVELOPMENT]

Current authorizations:

[SALARIES AND EXPENSES]

[For necessary expenses of the Office of Area Development, $200,000.] *(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, 1959.)*

Appropriated 1959, **$200,000**
Appropriated (adjusted) 1959, **$0**

NOTE.—This function has been transferred to the Business and Defense Services Administration.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$395,393		
Unobligated balance no longer available	987		
New obligational authority	396,380		
New obligational authority:			
Appropriation	$396,380	$200,000	
Transferred to "Salaries and expenses," Business and Defense Services Administration (64 Stat. 1263)		−200,000	
Appropriation (adjusted)	396,380		

BUREAU OF FOREIGN COMMERCE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Foreign Commerce, including the purchase of commercial and trade reports, [$2,400,000] *and not to exceed $12,000 for representation expenses abroad, $3,800,000: Provided, That funds appropriated herein for overseas expenditures in connection with trade missions may be expended without regard to such provisions of law as the President has heretofore specified, or may hereafter specify, as not being applicable to the expenditure of funds under the International Cultural Exchange and Trade Fair Participation Act of 1956 (22 U. S. C. 1991–2001). (5 U. S. C. 591, 596–7; 15 U. S. C. 171; 1950 Reorganization Plan No. 5, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$2,400,000** Estimate 1960, [a] **$3,800,000**
Appropriated (adjusted) 1959, **$2,418,590**

[a] Includes $600,000 for activities previously carried under "President's special international program," funds appropriated to the President. The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Promotion of U. S. foreign trade and investment (total obligations)	$2,926,742	$3,218,797	$3,800,000
Financing:			
Comparative transfers from (−) other accounts	−488,839	−585,457	
Unobligated balance no longer available	11,347		
New obligational authority	2,449,250	2,633,340	3,800,000
New obligational authority:			
Appropriation	$2,449,250	$2,400,000	$3,800,000
Transferred from "Salaries and expenses," general administration (64 Stat. 1263)		18,590	
Appropriation (adjusted)	2,449,250	2,418,590	3,800,000
Proposed supplemental due to pay increases		214,750	

Information on foreign markets, on the commercial regulations and business customs of foreign countries, and on the economic potential of geographic areas at home and abroad is compiled and disseminated to the business community. In 1960, the trade mission pro-

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gram, formerly financed by the President's special international program, will be financed in this account.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	323	311	377
Full-time equivalent of all other positions	4	2	2
Average number of all employees	305	305	354
Number of employees at end of year	291	309	377
Average GS grade and salary	9.0 $6,833	9.1 $7,592	9.1 $7,457
01 Personal services:			
Permanent positions	$2,171,696	$2,304,064	$2,649,000
Positions other than permanent	26,952	11,980	15,000
Other personal services	9,218	9,106	21,600
Total personal services	2,207,866	2,325,150	2,685,600
02 Travel	130,861	201,900	240,000
03 Transportation of things	2,843	2,000	2,500
04 Communication services	34,111	39,740	46,700
05 Rents and utility services	4,873	5,000	4,500
06 Printing and reproduction	155,637	183,660	256,000
07 Other contractual services	219,160	260,752	285,500
Services performed by other agencies	16,754	23,250	38,000
08 Supplies and materials	16,985	25,400	22,500
09 Equipment	14		35,000
11 Grants, subsidies, and contributions	135,753	151,245	177,000
13 Refunds, awards, and indemnities	1,191		
15 Taxes and assessments	694	700	700
Total obligations	2,926,742	3,218,797	3,800,000

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] *$2,832,000*, of which not to exceed [$1,006,000] *$932,000* 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] *$75,000* may be advanced to the appropriation for "Salaries and expenses" under "General administration". (*1950 Reorganization Plan No. 5, sec. 4, 64 Stat. 1263; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$3,060,000** Estimate 1960, **$2,832,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Export control (total obligations)	$3,153,389	$3,197,000	$2,832,000
Financing:			
Unobligated balance no longer available	12,611		
New obligational authority	3,166,000	3,197,000	2,832,000
New obligational authority:			
Appropriation	$3,166,000	$3,060,000	$2,832,000
Proposed supplemental due to pay increases		137,000	

In the absence of improvement in relations with Soviet bloc countries, export controls over strategic commodities are necessary to safeguard the national security. In addition, the domestic economy is protected from excessive drain of scarce commodities; and United States foreign policy is implemented by regulating exports. The Bureau of Customs is responsible for the policing of shipments at points of export.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	290	265	217
Average number of all employees	270	251	212
Number of employees at end of year	253	236	217
Average GS grade and salary	8.0 $6,220	8.2 $7,007	8.4 $7,275
01 Personal services:			
Permanent positions	$1,756,443	$1,769,574	$1,552,351
Other personal services	7,337	7,166	12,229
Total personal services	1,763,780	1,776,740	1,564,580
02 Travel	$7,803	$14,400	$13,250
03 Transportation of things	385	550	550
04 Communication services	53,603	58,750	56,750
06 Printing and reproduction	50,155	61,010	56,630
07 Other contractual services	10,086	11,400	10,100
Services performed by other agencies	1,147,252	1,143,200	1,014,600
08 Supplies and materials	8,650	11,750	10,700
09 Equipment	2,191	3,200	3,200
11 Grants, subsidies, and contributions	108,011	114,850	101,100
13 Refunds, awards, and indemnities	1,087	600	
15 Taxes and assessments	386	550	540
Total obligations	3,153,389	3,197,000	2,832,000

OFFICE OF BUSINESS ECONOMICS

Current authorizations:

Salaries and Expenses

For necessary expenses of the Office of Business Economics, [$1,150,000] *$1,405,000*. (*5 U. S. C. 591, 596–597; 15 U. S. C. 171, 175; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$1,150,000** Estimate 1960, **$1,405,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Preparation of national income and product data	$283,340	$390,875	$493,875
2. Analysis of business trends	409,394	443,740	443,740
3. Computation of the balance of international payments	257,651	299,660	349,660
4. Executive direction	118,833	117,725	117,725
Total obligations	1,069,218	1,252,000	1,405,000
Financing:			
Unobligated balance no longer available	1,999		
New obligational authority	1,071,217	1,252,000	1,405,000
New obligational authority:			
Appropriation	$1,071,217	$1,150,000	$1,405,000
Proposed supplemental due to pay increases		102,000	

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.

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	141	164	190
Average number of all employees	134	156	180
Number of employees at end of year	143	164	189
Average GS grade and salary	8.2 $6,180	8.2 $6,696	8.0 $6,489
01 Personal services:			
Permanent positions	$875,002	$1,044,948	$1,159,722
Positions other than permanent	324	1,464	
Other personal services	3,747	4,813	10,173
Total personal services	879,073	1,051,225	1,169,895
02 Travel	3,644	2,500	3,000
03 Transportation of things	87	75	75

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OFFICE OF BUSINESS ECONOMICS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
04	Communication services	$10,818	$14,000	$15,000
06	Printing and reproduction	84,736	86,500	107,200
07	Other contractual services	10,177	3,200	3,630
	Services performed by other agencies	22,062	24,500	24,900
08	Supplies and materials	3,861	2,000	2,500
09	Equipment	49		3,000
11	Grants, subsidies, and contributions	54,615	68,000	75,800
13	Refunds, awards, and indemnities	25		
15	Taxes and assessments	71		
	Total obligations	1,069,218	1,252,000	1,405,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Delaware River Basin economic projection survey	$33,674	$7,612	
2. Prior year advances returned		7,170	
Total obligations	33,674	14,782	
Financing:			
Unobligated balance brought forward	3,456	14,782	
Advances and reimbursements from other accounts	45,000		
Unobligated balance carried forward	−14,782		
Total financing	33,674	14,782	

Object Classification

		1958 actual		1959 estimate		1960 estimate
	Total number of permanent positions		11		10	
	Average number of all employees		5		1	
	Number of employees at end of year		10		0	
	Average GS grade and salary	7.5	$5,793	7.6	$4,933	
01	Personal services:					
	Permanent positions		$28,435		$6,666	
	Other personal services		259			
	Total personal services		28,694		6,666	
02	Travel		312			
06	Printing and reproduction		509		307	
07	Other contractual services		2,395		7,195	
08	Supplies and materials		118			
11	Grants, subsidies, and contributions		1,646		614	
	Total obligations		33,674		14,782	

MARITIME ACTIVITIES

Current authorizations:

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 [(not to exceed $4,100,000)] for research, development, and design expenses incident to new and advanced ship design, machinery, and equipment; [$141,475,000] *$129,000,000,* 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 [$2,150,000] *$2,500,000*) 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. (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$141,475,000** Estimate 1960, **$129,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction-differential subsidy	$77,182,841	$131,385,066	$107,700,000
2. Construction of prototype ships	218,703	578,951	
3. Acquisition of tankers		296,375	
4. Acquisition of replaced ships	16,381,688	24,490,312	17,500,000
5. Research and development	2,570,600	6,252,814	6,200,000
6. Nuclear ship construction and design	14,353,840	1,796,160	500,000
7. Administrative and warehouse expenses	1,205,459	2,150,000	2,500,000
Total obligations	111,913,131	166,949,678	134,400,000
Financing:			
Unobligated balance brought forward	−161,763,919	−52,850,788	−27,376,110
Unobligated balance carried forward	52,850,788	27,376,110	21,976,110
Appropriation (new obligational authority)	3,000,000	141,475,000	129,000,000

The 1960 estimate provides for:

1. *Construction-differential subsidy* and/or national defense allowances for construction of 14 vessels under the ship replacement program.

4. *Acquisition of replaced ships.*—Acquisition costs for an estimated 14 vessels being replaced.

5. *Research and development.*—A program of advanced research and development with particular emphasis on nuclear power for ships.

Since 1955, funds for new construction have been appropriated under this appropriation. 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), maritime activities.

The following table reflects the annual obligation requirements for the projects financed from current funds, together with those requested for 1960.

[In thousands]

	Total appropriation estimates	*Actual obligations through 1958*	*Estimated obligations*		
			1959	*1960*	*Subsequent*
1. Construction-differential subsidy	$400,325	$142,665	$131,386	$107,700	$18,574
1955–58 programs	183,325	142,665	31,386	5,700	3,574
Grace Lines	21,500	20,647	853		
Moore-McCormack Lines	21,500	20,698	802		
Ship replacement program	106,190	78,056	19,960	4,600	3,574
Conversion of mariners	26,900	22,830	3,470	600	
Reconditioning vessels	7,235	434	6,301	500	
1959 program: Ship replacement program	112,000		100,000	7,000	5,000
1960 program: Ship replacement program	105,000			95,000	10,000
2. Construction of prototype ships: 1955–58 programs: T–5 tanker	11,000	10,421	579		
3. Acquisition of tankers: 1955–58 programs	17,100	16,804	296		
4. Acquisition of replaced ships	58,375	16,385	24,490	17,500	
1955–58 programs	18,375	16,385	1,990		
1959 program	22,500		22,500		
1960 program	17,500			17,500	
5. Research and development	28,550	16,097	6,253	6,200	
1955–58 programs	20,550	16,097	3,453	1,000	
1959 program	4,100		2,800	1,300	
1960 program	3,900			3,900	
6. Nuclear ship construction and design: 1955–58 programs	17,000	14,704	1,796	500	
7. Administrative and warehouse expense	10,875	2,823	2,150	2,500	3,402
1955–58 programs	5,400	2,823	1,475	900	202
1959 program	2,875		675	1,100	1,100
1960 program	2,600			500	2,100
Total obligations	543,225	219,899	166,950	134,400	21,976
1955–58 programs	272,750	219,899	40,975	8,100	3,776
1959 program	141,475		125,975	9,400	6,100
1960 program	129,000			116,900	12,100

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Object Classification

		1958 actual	1959 estimate	1960 estimate
	MARITIME ACTIVITIES			
07	Other contractual services	$959,769	$3,483,460	$1,700,000
	Services performed by other agencies	1,947,459	3,039,896	3,200,000
09	Equipment	31,191,873	27,660,193	19,500,000
11	Grants, subsidies, and contributions	77,182,841	131,385,066	107,700,000
	Total, maritime activities	111,281,942	165,568,615	132,100,000
	ALLOCATION ACCOUNTS			
07	Other contractual services	631,189	1,381,063	2,300,000
	Total obligations	111,913,131	166,949,678	134,400,000
	Obligations are distributed as follows:			
	Maritime activities	$111,281,942	$165,568,615	$132,100,000
	Department of Defense	2,148	10,104	
	Atomic Energy Commission	629,041	1,370,959	2,300,000

Ship Construction (Liquidation of Contract Authorization)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Ship construction (total obligations)	$10,260	$985,224	
Financing:			
Unobligated balance brought forward	−7,357,025	−7,346,765	
Unobligated balance carried forward	7,346,765		
Unobligated balance no longer available		6,361,541	
Contract authorization (new)			

During 1958, obligations were increased by $10,260, as a result of contract adjustments. A total of $512,433,950 was appropriated for this program which covers all post-war construction activity up to 1955. As of June 30, 1958, the unobligated balance amounted to $7,346,765. It is estimated that claims presented by the shipbuilders will amount to $985,224. The balance of $6,361,541 will be administratively rescinded.

SUMMARY FISCAL STATUS REPORT—SHIP CONSTRUCTION PROGRAMS PRIOR TO 1955

	1958	*1959*
Cash balance:		
Unexpended balance, beginning of year	$7,431,767	$7,361,541
Expenditures	70,226	1,000,000
Unexpended balance, end of year	7,361,541	6,361,541
Unliquidated obligations:		
Unliquidated obligations, beginning of year	74,742	14,776
Adjustment to obligations	10,260	985,224
Total	85,002	1,000,000
Expenditures	70,226	1,000,000
Unliquidated obligations, end of year	14,776	

Object Classification

		1958 actual	1959 estimate	1960 estimate
09	Equipment	$10,260	$985,224	

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, [$120,000,000] *$130,000,000,* to remain available until expended: *Provided,* 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 [two hundred] and [twenty-five] *forty* voyages in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year[, of which one hundred and fifty shall be for companies which have not held contracts prior to July 1, 1958, and seventy-five shall be for companies operating into or out of the Great Lakes]. (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$120,000,000** Estimate 1960, **$130,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of subsidies (total obligations)	$120,031,522	$120,360,887	$130,000,000
Financing:			
Unobligated balance brought forward	−20,392,409	−360,887	
Unobligated balance carried forward	360,887		
New obligational authority	100,000,000	120,000,000	130,000,000
New obligational authority:			
Appropriation	$35,000,000	$120,000,000	$130,000,000
Reappropriation	65,000,000		

At present 15 privately owned United States-flag companies are under contract to operate 313 ships under subsidy agreements 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 subsidy recapture is finally determined on a cumulative basis only at the end of a 10-year contract period. In estimating the subsidy payable, 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, 1960

[Dollars in thousands]

	Voyages	*Estimated subsidy accrual*
Calendar year:		
1947–57	14,579	$905,829
1958	1,799	147,563
1959	1,841	152,234
1960 (first 6 months)	919	76,291
Total	19,138	1,281,917
		Cumulative total
Subsidy accrual		$1,281,917
Subsidy recapture		244,157
Subsidy payable		1,037,760
Subsidy paid through June 30, 1958		688,175
Estimated subsidy payable		349,585
Subsidy to be paid in 1959		120,361
Subsidy to be paid in 1960		130,000
Subsidy to be paid in subsequent years		99,224

The computation and approval of final subsidy rates and the audit of annual accountings of the subsidized operators will make it possible to make payments of 100% of estimated subsidy payable due each operator through calendar year 1955 prior to June 30, 1960, thus eliminating a large backlog of subsidy payments dating back to 1947. The $99,224,575 estimated unpaid subsidy as of June 30, 1960, begins to approach a normal backlog, consisting largely of amounts withheld pending final rates and audit determinations for calendar years 1956–60 plus subsidy bills for operators in the last quarter of 1960 which would not be presented and paid until 1961. This estimated unpaid balance is, however, subject to adjustment for changes in the cumulative recapture position of each of the operators. This estimated balance does not reflect the effect of an anticipated 1959 supplemental appropriation which is shown under Proposed for later transmission.

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MARITIME ACTIVITIES—Continued

Current authorizations—Continued

OPERATING-DIFFERENTIAL SUBSIDIES—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$120,031,522	$120,360,887	$130,000,000

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, [$14,525,000] *$14,070,000*, 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, [$6,975,000] *and not to exceed $2,500 for representation allowances, $7,770,000;*

Maintenance of shipyard and reserve training facilities and operation of warehouses, $1,400,000;

Reserve fleet expenses, [$6,150,000] *$4,900,000.* (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$14,525,000** Estimate 1960, **$14,070,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administrative expenses	$7,332,342	$7,632,500	$7,770,000
2. Maintenance of shipyard facilities	654,604	705,450	679,800
3. Operation of warehouses	824,096	714,650	720,200
4. Maintenance of reserve training station	66,360	36,900	
5. Reserve fleet expenses	6,872,283	6,241,000	4,900,000
6. 1959 program obligated in 1958	218,282	−218,282	
Total obligations	15,967,967	15,112,218	14,070,000
Financing:			
1959 appropriation available in 1958	−218,282	218,282	
Unobligated balance no longer available	25,779		
New obligational authority	15,775,464	15,330,500	14,070,000
New obligational authority:			
Appropriation	$15,775,464	$14,525,000	$14,070,000
Proposed supplemental due to pay increases		805,500	

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, ship operations and chartering, auditing, and property management. Administrative expenses in connection with 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. Studies are being made of the action necessary to dispose of these yards, and maintenance costs for 1960 have been reduced accordingly.

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 previously maintained in a custodial status for possible future reactivation has been declared surplus and will be transferred to the General Services Administration in 1959.

5. *Reserve fleet expenses.*—Provision is made for the preservation and security of merchant vessels, maintained for national defense purposes. An accelerated scrapping program will be continued and preservation work will be sharply reduced on about 1,000 ships which are considered obsolete for mobilization purposes.

Object Classification

	1958 actual	1959 estimate	1960 estimate
MARITIME ACTIVITIES			
Total number of permanent positions	2,408	2,209	1,876
Full-time equivalent of all other positions	1	1	1
Average number of all employees	2,211	2,055	1,823
Number of employees at end of year	2,273	1,861	1,826
Average GS grade and salary	8.1 $6,188	8.2 $6,936	8.3 $6,969
Average salary of ungraded positions	$4,697	$4,756	$4,965
01 Personal services:			
Permanent positions	$12,516,712	$12,363,700	$11,324,650
Positions other than permanent	1,235	5,000	5,000
Other personal services	167,379	131,700	172,400
Total personal services	12,685,326	12,500,400	11,502,050
02 Travel	94,030	109,800	109,800
03 Transportation of things	75,294	54,600	44,500
04 Communication services	151,800	158,000	157,900
05 Rents and utility services	288,015	362,000	394,700
06 Printing and reproduction	64,774	54,400	54,400
07 Other contractual services	294,144	405,750	184,600
Services performed by other agencies	172,212	67,950	67,950
08 Supplies and materials	1,165,935	528,948	731,100
09 Equipment	172,615	57,770	80,000
10 Lands and structures	1,480		
11 Grants, subsidies, and contributions	734,051	784,400	728,000
13 Refunds, awards, and indemnities	17,493	8,800	8,800
15 Taxes and assessments	15,885	19,400	6,200
Total, maritime activities	15,933,054	15,112,218	14,070,000
ALLOCATION TO DEPARTMENT OF DEFENSE			
07 Other contractual services	32,060		
Services performed by other agencies	2,853		
Total, Department of Defense	34,913		
Total obligations	15,967,967	15,112,218	14,070,000

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; [$2,394,000] *$2,900,000*, including uniform and textbook allowances for cadet midshipmen, at an average yearly cost of not to exceed [$200] *$300* 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. (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$2,462,000** Estimate 1960, **$2,900,000**

[a] Includes $68,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Merchant marine cadet training	$2,368,883	$2,549,300	$2,856,800
2. Cadet training office	36,857	43,200	43,200
Total obligations	2,405,740	2,592,500	2,900,000
Financing:			
Unobligated balance no longer available	3,170		
New obligational authority	2,408,910	2,592,500	2,900,000
New obligational authority:			
Appropriation	$2,396,794	$2,462,000	$2,900,000
Transferred from "State marine schools" (72 Stat. 243)	12,116		
Appropriation (adjusted)	2,408,910	2,462,000	2,900,000
Proposed supplemental due to pay increases		130,500	

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This program provides for the training of officers for service in the maritime industry.

1. *Merchant marine cadet training.*—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, uniform, and textbook allowances and medical care for cadets.

2. *Cadet training office.*—This office provides staff assistance to the Maritime Administrator on training matters, assists in the selection and appointment of cadets, and maintains liaison with State marine schools.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	258	262	266
	Full-time equivalent of all other positions	1	1	1
	Average number of all employees	253	257	261
	Number of employees at end of year	256	262	266
	Average GS grade and salary	5.1 $4,606	5.5 $5,256	5.6 $5,277
	Average salary of ungraded positions	$4,035	$4,410	$4,410
01	Personal services:			
	Permanent positions	$1,084,653	$1,240,800	$1,258,500
	Positions other than permanent	10,545	5,800	5,800
	Other personal services	331,351	338,100	341,700
	Total personal services	1,426,549	1,584,700	1,606,000
02	Travel	21,358	25,500	25,500
03	Transportation of things	2,256	2,200	2,200
04	Communication services	18,124	22,000	22,500
05	Rents and utility services	34,442	33,500	42,200
06	Printing and reproduction	570	25,500	25,500
07	Other contractual services	478,681	547,400	692,800
	Services performed by other agencies	37,661	33,000	33,000
08	Supplies and materials	259,393	238,600	321,500
09	Equipment	44,738	1,200	48,500
10	Lands and structures	11,768		
11	Grants, subsidies, and contributions	68,959	78,600	80,000
13	Refunds, awards, and indemnities	795		
15	Taxes and assessments	446	300	300
	Total obligations	2,405,740	2,592,500	2,900,000

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] *For financial assistance to State marine schools and the students thereof as authorized by the Maritime Academy Act of 1958 (72 Stat. 622–624), $1,110,000, of which $150,000 is for maintenance and repair of vessels loaned by the United States for use in connection with such State marine schools, and $960,000 is for liquidation of obligations incurred under authority granted by said Act, to enter into contracts to make payments for expenses incurred in the maintenance and support of marine schools, and to pay allowances for uniforms, textbooks, and subsistence of cadets at State marine schools. (Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$660,000** Estimate 1960, **$1,110,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants for State marine schools	$176,125	$190,000	$975,000
2. Uniforms, textbooks, and subsistence of cadets	320,200	320,200	1,721,000
3. Maintenance and repair of vessels	144,308	149,800	150,000
Total obligations	640,633	660,000	2,846,000
Financing:			
Unobligated balance no longer available	7,251		
New obligational authority	647,884	660,000	2,846,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$660,000	$660,000	$150,000
Transferred to "Maritime training" (72 Stat. 243)	−12,116		
Appropriation (adjusted)	647,884	660,000	150,000
Contract authorization (new)			2,696,000

Status of Unfunded Contract Authorization

Contract authorization (new)			$2,696,000
Unfunded balance at end of year			−1,736,000
Appropriation to liquidate contract authorization			960,000

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 $75,000, if matched by State appropriations and if out of State students are enrolled; (*b*) allowance to cadets for uniforms, textbooks, and subsistence; and (*c*) repairs to Federal training vessels loaned to the schools.

New legislation enacted by the last Congress provides contract authority for the Secretary to enter into agreements with States to provide these grants and allowances over a 4-year period (72 Stat. 622). However, maintenance and repair of training vessels will continue to be accomplished through annual appropriations.

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$144,308	$149,800	$150,000
11	Grants, subsidies, and contributions	496,325	510,200	2,696,000
	Total obligations	640,633	660,000	2,846,000

[War Shipping Administration Liquidation]

[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 until December 31, 1958, 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 effective December 31, 1958, the unexpended balance remaining in this account is hereby rescinded and carried to the surplus fund in the Treasury.]

[Notwithstanding the last proviso under this head in the Department of Commerce and Related Agencies Appropriation Act, 1959, the funds made available under said head shall remain available until June 30, 1959, for payment of benefits to disabled seamen under crew life and injury and second seamen's war risk insurance policies and for payments under the Act of September 30, 1944 (58 Stat. 758): *Provided*, That after these payments shall have been made the unexpended balance remaining in this account is hereby rescinded and shall be covered into the Treasury.] *(72 Stat. 866; Department of Commerce and Related Agencies Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Repair of Reserve Fleet Vessels (Liquidation of Contract Authorization)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Repair of reserve fleet vessels	$399,661		
2. Towing and incidental costs	14,049		
Total obligations	413,710		

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MARITIME ACTIVITIES—Continued

Current authorizations—Continued

REPAIR OF RESERVE FLEET VESSELS (LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward:			
Appropriation	−$459,761		
Contract authorization	−7,000,000		
Unobligated balance no longer available:			
Appropriation	46,051		
Contract authorization	7,000,000		
Contract authorization (new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$7,000,000		
Administrative cancellation of unfunded balance	−7,000,000		
Appropriation to liquidate contract authorization			

Authority to obligate funds under this program expired June 30, 1958. A total of 151 vessels has been repaired at a cost of $17,953,949. The unused cash and contract authorization have been returned to the Treasury.

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$14,049		
09	Equipment	399,661		
	Total obligations	413,710		

Public enterprise funds:

FEDERAL SHIP MORTGAGE INSURANCE FUND

[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.] *(72 Stat. 231; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital outlay: Acquisition of fixed assets resulting from defaulted mortgage	$3,947,416		
Operating costs:			
Expense incident to defaulted mortgage	236,605		
Loss incurred incident to acquisition of assets	497,416		
Total operating costs	734,021		
Unfunded adjustment to total operating costs: Loss incurred incident to acquisition of assets	−497,416		
Total operating costs, funded	236,605		
Total program (costs—obligations)	4,184,021		

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts becoming available:			
Revenue and receipts (premiums and fees)	$623,497	$1,732,202	$2,740,855
Unobligated balance transferred from "Vessel operations revolving fund" (65 Stat. 59)	3,500,000		
Total amounts becoming available	4,123,497	1,732,202	2,740,855
Unobligated balance brought forward	475,123	414,599	2,146,801
Total amounts available	4,598,620	2,146,801	4,887,656
Unobligated balance carried forward	−414,599	−2,146,801	−4,887,656
Financing applied to program	4,184,021		

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).

Budget program.—In 1958, a payment of $3.9 million was made for a defaulted ship mortgage, custody of the ship was taken, and a loss of $0.5 million and other expenses of $0.2 million was incurred incident thereto.

Financing.—The redemption of defaulted loans or mortgages is financed from insurance premiums and fees, together with such amounts as may be made available by appropriations. During 1958, $3.5 million was made available to the revolving fund to allow the purchase of the above defaulted mortgage through a transfer of an unobligated balance from the vessel operations revolving fund (65 Stat. 59). Under authority of Public Law 85–520 (72 Stat. 358), the Secretary of Commerce may borrow from the Secretary of the Treasury such sums as may be necessary to redeem any future defaulted mortgage, in event the moneys in this fund, at the time of default, are not sufficient for this purpose.

Operating results and financial condition.—As of September 1958, balances outstanding plus commitments for additional ship mortgages totaled $235.1 million, and the outstanding balance for loans and mortgages at the end of 1959 should reach $255 million. Based on current trends, insured ship loans under this title will be $450 million by the end of 1960.

No expenses on defaulted mortgages are estimated for 1959 and 1960. Earnings, resulting from premium receipts, are retained to meet future requirements.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of fixed assets resulting from defaulted mortgages	$3,947,416		
Expense incident to defaulted mortgages	236,605		
Increase in selected working capital		$14,552	
Total gross expenditures	4,184,021	14,552	
Receipts from operations (funds provided):			
Revenue	623,497	1,732,202	$2,740,855
Decrease in selected working capital	14,552		
Total receipts from operations	638,049	1,732,202	2,740,855
Budget expenditures	3,545,972	−1,717,650	−2,740,855

Revenue, Expense, and Retained Earnings

Revenue	$623,497	$1,732,202	$2,740,855
Expense	236,605		
Net operating income	386,892	1,732,202	2,740,855
Nonoperating loss incurred incident to acquisition of assets (−)	−497,416		
Net income or loss (−) for the year	−110,524	1,732,202	2,740,855

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Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Retained earnings, beginning of year	$475,123	$364,599	$2,096,801
Retained earnings, end of year	364,599	2,096,801	4,837,656

Financial Condition

Assets:			
Cash with Treasury	$429,151	$2,146,801	$4,887,656
Accounts receivable and cash on hand	17,343		
Materials and supplies	24,804	24,804	24,804
Equipment (vessel)	3,425,196	3,425,196	3,425,196
Total assets	3,896,494	5,596,801	8,337,656
Liabilities:			
Current	31,895		
Liability for advance from "Vessel operations revolving fund"	3,500,000	3,500,000	3,500,000
Total liabilities	3,531,895	3,500,000	3,500,000
Government investment:			
Retained earnings	364,599	2,096,801	4,837,656

NOTE.—Contingent liability for insured mortgages and loans not included above is estimated to be as follows: June 30, 1957, $71,377,766 (composed of $36,285,266 loan guarantee authority $35,092,500 commitments outstanding); 1958, $218,281,898 (composed of $78,589,686 loan guarantee authority $139,692,212 commitments outstanding); 1959, $255,000,000; 1960, $450,000,000.

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$475,123	$429,151	$2,146,801	$4,887,656
Obligated balance, net:				
Current liabilities		31,895		
Accounts receivable and cash on hand (−)		−17,343		
Total obligated balance		14,552		
Unobligated balance	475,123	414,599	2,146,801	4,887,656

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$236,605		
09	Equipment	3,947,416		
	Total obligations	4,184,021		

VESSEL OPERATIONS REVOLVING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Vessel operations: Expense:			
Terminated voyage	$8,255,613	$6,108,803	$4,751,540
Vessel repair and reactivation	1,927,253	87,641	
Deactivation	862,803	90,000	30,000
Administration	912,129	989,500	989,500
Miscellaneous	535,432	10,800	2,700
Total, vessel operations	12,493,230	7,286,744	5,773,740
2. Charter operations: Expense: Activation repair and deactivation of chartered vessels	2,888,575	898,747	244,000
3. Vessel custody and contingencies: Expense: Custody of vessels involved in forfeiture proceedings	12,083		
Total program costs, funded	15,393,888	8,185,491	6,017,740
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−2,038,118	−154,371	
Obligations incurred for costs of other years, net			12,000
Total program (obligations)	13,355,770	8,031,120	6,029,740

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts becoming available: Vessel operations revenue:			
Terminated voyage revenue	$8,972,236	$7,055,903	$4,413,440
Reimbursement for activation and deactivation	3,078,269	177,641	30,000
Charter operations revenue	14,111,197	687,400	585,400
Other	722,079	53,200	13,300
Total amounts becoming available	26,883,781	7,974,144	5,042,140
Unobligated balance brought forward	4,509,846	14,537,857	14,480,881
Total amounts available	31,393,627	22,512,001	19,523,021
Unobligated balance transferred to "Federal ship mortgage insurance fund" (65 Stat. 59)	−3,500,000		
Unobligated balance carried forward	−14,537,857	−14,480,881	−13,493,281
Financing applied to program	13,355,770	8,031,120	6,029,740

This fund, created in 1951, finances direct operation and charter of cargo vessels for transport of military cargo. It is also used for the operation of Government-owned vessels under general agency agreements or charter for experimental or testing purposes (70 Stat. 531). The initial appropriation to the fund of $20 million has been repaid to the Treasury.

Budget program—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 have declined from a peak of 538 to 7 on June 30, 1958, and will further decrease to 4 during 1959 and 1960. The world's first nuclear-powered cargo-passenger ship, the N. S. *Savannah*, will go into service in 1960, and will be assigned, under General Agency Agreement, to the ship operator in mid-1960.

2. *Charter operations.*—As of June 30, 1958, there were 11 Government-owned vessels under charter to private operators. It is expected that 4 vessels will return from charter during 1959 leaving 7 vessels under charter operations during 1960.

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

	1958 actual	*1959 estimate*	*1960 estimate*
With general agents	7	4	4
Under charter	11	7	7
Loaned to other agencies	38	38	38
Total	56	49	49

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Advances	$143,694	$66.357	$100,000	$100,000
Supplies	5,647,330	5,942,047	5,990,047	6,002,047
Prepaid insurance and other deferred charges	481,648	96,034	125,000	125,000
Unpaid undelivered orders	2,184,864	314,980	50,000	50,000
Total selected resources at end of year	8,457,536	6,419,418	6,265,047	6,277,047
Selected resources at start of year (−)		−8,457,536	−6,419,418	−6,265,047
Cost financed from obligations of other years net (−)		−2,038,118	−154,371	
Obligations incurred for costs of other years, net				12,000

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MARITIME ACTIVITIES—Continued

Public enterprise funds—Continued

VESSEL OPERATIONS REVOLVING FUND—Continued

Financing.—Operations are financed from revenue and appropriations made in prior years.

Operating results and financial condition—1. *Vessel operations.*—Rates charged the Military Sea Transportation Service for general agency operations cover full costs. The net loss of $1,317,000 in 1960 is the result of the fund bearing certain operating costs in connection with the experimental operation of the N. S. *Savannah.* Costs will be incurred by the operator in providing crews, carrying out engineering studies, negotiating with various regulatory bodies, and normal ship operation. 2. *Charter operations.*—The net loss of $211,347 in 1959 is a direct result of reimbursement authorized under Public Law 85–721, to certain charters for breakout costs. Earnings are retained to provide (*a*) working capital for current ship operations and chartering and custody contingencies, (*b*) rapid expansion of shipping services in the event of an emergency and (*c*) the possible transfer of $10,000,000 to the war risk insurance fund (65 Stat. 747). The program contemplates the eventual full recovery of $3,500,000 advanced to the Federal ship mortgage insurance fund in 1958.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Vessel operations program expense	$12,493,230	$7,286,744	$5,773,740
Charter operations program expense	2,888,575	898,747	244,000
Vessel custody and contingencies program expense	12,083		
Increase in selected working capital	3,221,672		237,840
Total gross expenditures	18,615,560	8,185,491	6,255,580
Receipts from operations (funds provided):			
Vessel operations program revenue	12,772,584	7,286,744	4,456,740
Charter operations program revenue	14,111,197	687,400	585,400
Decrease in selected working capital		1,562,794	
Total receipts from operations	26,883,781	9,536,938	5,042,140
Budget expenditures	−8,268,221	−1,351,447	1,213,440

Revenue, Expense, and Retained Earnings

Vessel operations program:			
Revenue	$12,772,584	$7,286,744	$4,456,740
Expense	12,169,113	7,286,744	5,773,740
Net income or loss (−) vessel operations program	603,471		−1,317,000
Charter operations program:			
Revenue	14,111,197	687,400	585,400
Expense	2,888,575	898,747	244,000
Net income or loss (−), charter operations program	11,222,622	−211,347	341,400
Vessel custody program: Expense; Net loss (−)	−12,083		
Net income or loss (−) for the year	11,814,010	−211,347	−975,600
Retained earnings, beginning of year	12,224,206	24,038,216	23,826,869
Retained earnings, end of year	24,038,216	23,826,869	22,851,269

Financial Condition

Assets:			
Cash with Treasury	$11,976,190	$13,327,637	$12,114,197
Accounts receivable	5,509,171	2,731,300	2,389,100
Advance to "Federal ship mortgage insurance fund"	3,500,000	3,500,000	3,500,000
Advances	66,357	100,000	100,000
Supplies	5,942,047	5,990,047	6,002,047
Billings for unterminated voyage expense	659,251	227,240	443,000
Prepaid expense and other deferred charges	96,034	125,000	125,000
Total assets	27,749,050	26,001,224	24,673,344

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$2,663,377	$1,478,056	$1,173,016
Unterminated voyage revenue	628,398	277,240	230,000
Operating reserves	419,059	419,059	419,059
Total liabilities	3,710,834	2,174,355	1,822,075
Government investment:			
Retained earnings	24,038,216	23,826,869	22,851,269

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$7,207,969	$11,976,190	$13,327,637	$12,114,197
Obligated balance, net:				
Current liabilities	6,369,102	2,663,377	1,478,056	1,173,016
Liability for unterminated voyage revenue	1,232,763	628,398	277,240	230,000
Unpaid undelivered orders	2,184,864	314,980	50,000	50,000
Accounts receivable (net) and cash in transit (−)	−5,867,081	−5,509,171	−2,731,300	−2,389,100
Billings for unterminated voyage expense (−)	−1,221,525	−659,251	−227,240	−443,000
Total obligated balance	2,698,123	−2,561,667	−1,153,244	−1,379,084
Unobligated balance	4,509,846	14,537,857	14,480,881	13,493,281

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Average number of all employees	476	271	219
	Number of employees at end of year	425	159	279
	Average salary of ungraded positions	$6,450	$6,450	$6,450
01	Personal services:			
	Positions other than permanent	$3,070,200	$1,747,950	$1,412,550
	Other personal services	1,381,600	786,550	635,650
	Total personal services	4,451,800	2,534,500	2,048,200
03	Transportation of things	2,980	1,660	1,200
07	Other contractual services	6,567,254	2,479,097	1,389,240
	Services performed by other agencies	1,308,253	1,233,500	1,233,500
08	Supplies and materials	2,945,879	1,998,770	1,346,800
09	Equipment	26,825	14,930	10,800
	Subtotal	15,302,991	8,262,457	6,029,740
	Decrease (−) in unpaid undelivered orders and advances	−1,947,221	−231,337	
	Total obligations	13,355,770	8,031,120	6,029,740

WAR RISK INSURANCE REVOLVING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Underwriting agents' expense	$4,168	$4,860	$4,860
2. Appraisal contractors' expense	5,100	12,000	12,000
3. Insurance claims expense	13,538	55,000	
4. Administrative expenses		500	500
Total program (costs—obligations)	22,806	72,360	17,360
Financing:			
Amounts becoming available:			
Fees for the issuance of binders	14,575	18,750	18,750
Builders risk insurance premiums	328,693	503,040	445,000
Reimbursement for insurance claims	13,538	55,000	
Total amounts becoming available	356,806	576,790	463,750
Unobligated balance brought forward	376,850	710,850	1,215,280
Total amounts available	733,656	1,287,640	1,679,030
Unobligated balance carried forward	−710,850	−1,215,280	−1,661,670
Financing applied to program	22,806	72,360	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

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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, 1958, interim binders for war-risk hull protection and indemnity, and second seamens' insurance, which become effective upon the outbreak of war, had been issued covering approximately $5,467,800,000 of insurance.

Financing.—The transfer of $10 million is authorized from the vessel operations revolving fund if necessary as an emergency measure (65 Stat. 747). To date no transfers have been made and none are anticipated in 1959 or 1960. In addition financing is provided by insurance premiums and fees paid for issuance of interim binders.

Budget program.—At the request of the Secretary of the Navy, second seamen's war risk insurance was provided without premium, as authorized under sections 1205 and 1206 of title XII of the Merchant Marine Act, 1936, as amended, on tankers operated for account of Military Sea Transportation Service. This arrangement has been in effect continuously from its inception on January 1, 1954. Under section 1205 the Secretary of the Navy has agreed to indemnify Maritime against all losses covered by such insurance. As of June 30, 1958, there were 34 tankers covered under this program. The U. S. N. S. *Mission San Francisco* was involved in a collision with a foreign-flag vessel on March 7, 1957. As of June 30, 1958, a total of 40 personal effects claims had been paid. The 1959 estimate provides for the payment of 9 death and 5 personal effects claims. The U. S. N. S. *Mission San Miguel* ran aground October 9, 1957, on Maro Reef en route from Guam to Seattle and became a total loss. The 1959 estimate provides for the payment of pending claims. Reimbursement from the Military Sea Transportation Service will cover full costs. Expenses of the fund consist of fees paid to underwriting agents, travel expenses for marine insurance experts, and for contract appraisal costs.

Operating results.—The Government's investment consists entirely of retained earnings totaling $710,850 on June 30, 1958. 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)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Administrative expenses and fees	$9,268	$17,360	$17,360
Payment of claims	13,538	55,000	
Increase in selected working capital	52,940		
Total gross expenditures	75,746	72,360	17,360
Receipts from operations (funds provided):			
Fees for the issuance of binders and insurance premiums	343,268	521,790	463,750
Reimbursement for payment of claims	13,538	55,000	
Decrease in selected working capital		25,570	33,610
Total receipts from operations	356,806	602,360	497,360
Budget expenditures	−281,060	−530,000	−480,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$356,806	$576,790	$463,750
Expense	22,806	72,360	17,360
Net income for the year	334,000	504,430	446,390
Retained earnings, beginning of year	376,850	710,850	1,215,280
Retained earnings, end of year	710,850	1,215,280	1,661,670

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$627,520	$1,157,520	$1,637,520
Accounts receivable	84,110	60,900	24,650
Total assets	711,630	1,218,420	1,662,170
Liabilities:			
Current	780	3,140	500
Government investment:			
Retained earnings	710,850	1,215,280	1,661,670

NOTE.—Contingent liability for insurance, in the event of war only, not included above, is estimated to be as follows: June 30, 1957, $5,467,800,000; 1958, $5,478,314,000; 1959, $6,144,446,000; 1960, $6,411,806,000.

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$346,460	$627,520	$1,157,520	$1,637,520
Obligated balance, net:				
Current liabilities	1,974	780	3,140	500
Accounts receivable (−)	−32,364	−84,110	−60,900	−24,650
Total obligated balance	−30,390	−83,330	−57,760	−24,150
Unobligated balance	376,850	710,850	1,215,280	1,661,670

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel		$500	$500
07 Other contractual services	$22,806	71,860	16,860
Total obligations	22,806	72,360	17,360

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administrative expenses:			
Maritime activities:			
Ship construction	$1,202,157	$2,150,000	$2,500,000
Vessel operations	1,295,170	1,167,200	1,167,200
Atomic Energy Commission		30,000	30,000
Department of Agriculture	97,531	113,500	113,500
Department of State	10,051	10,600	10,600
Department of Defense	547,016	108,700	
Department of Commerce	22,046	49,500	3,400
Purchase of equipment from proceeds of sales (40 U. S. C. 481 (c))	207		
Miscellaneous services to other accounts	6,462	500	3,000
Total, administrative expenses	3,180,640	3,630,000	3,827,700
2. Shipyards, warehouses, and reserve training station expenses:			
Maritime activities:			
Federal ship mortgage insurance fund	566		
Ship construction	3,382		
Vessel operations	13,104	4,400	4,400
Department of Agriculture	3,035		
Department of Defense	46,768		
Miscellaneous services to non-Federal agencies	31,312	32,000	32,000
Total, shipyards, warehouses, and reserve training station expenses	98,167	36,400	36,400
3. Reserve fleet expenses: Maritime activities:			
Federal ship mortgage insurance fund	24,419		
Ship construction		74,700	
Department of Agriculture	993,874	745,500	748,800
Department of Defense	410,719	1,654,500	60,300
Total, reserve fleet expenses	1,429,012	2,474,700	809,100

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MARITIME ACTIVITIES—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
4. Maritime training: Cadet training:			
Department of State		$8,000	
Ship construction	$19,206	25,100	
Maintenance of sailing craft *Icefire*		5,000	$2,500
Miscellaneous services to non-Federal agencies	472	500	500
Total, maritime training	19,678	38,600	3,000
Total obligations	4,727,497	6,179,700	4,676,200
Financing:			
Advances and reimbursements from—			
Other accounts	4,695,713	6,142,200	4,641,200
Non-Federal sources	31,784	37,500	35,000
Total financing	4,727,497	6,179,700	4,676,200

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	816	1,068	723
Average number of all employees	705	883	626
Number of employees at end of year	588	695	621
Average GS grade and salary	8.3 $6,100	8.6 $7,005	8.7 $7,049
Average salary of ungraded positions	$4,507	$4,764	$4,742
01 Personal services:			
Permanent positions	$4,007,456	$5,116,555	$3,985,000
Positions other than permanent	123		
Other personal services	69,148	37,645	41,200
Total personal services	4,076,727	5,154,200	4,026,200
02 Travel	112,453	159,600	161,400
03 Transportation of things	13,896	22,600	31,600
04 Communication services	28,155	27,700	30,700
05 Rents and utility services	45,279	39,900	39,800
06 Printing and reproduction	13,748	7,000	10,000
07 Other contractual services	29,926	29,400	27,300
Services performed by other agencies	20,787	20,500	23,000
08 Supplies and materials	100,274	348,800	45,600
09 Equipment	51,417	36,000	17,000
11 Grants, subsidies, and contributions	228,954	330,600	260,100
13 Refunds, awards, and indemnities	810	800	800
15 Taxes and assessments	5,071	2,600	2,700
Total obligations	4,727,497	6,179,700	4,676,200

GENERAL PROVISIONS—MARITIME ACTIVITIES

No additional vessel 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. (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

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," Department of Agriculture.
"Construction of ships, Military Sea Transportation Service, Department of Defense."
"Shipbuilding and conversion, Navy."
"Construction of surveying ships," Coast and Geodetic Survey.
"Plant acquisition and construction," Atomic Energy Commission.

Proposed for later transmission:

OPERATING-DIFFERENTIAL SUBSIDIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of subsidies (total obligations)		$10,000,000	
Financing:			
Proposed supplemental appropriation		10,000,000	

Under existing legislation, 1959.—A supplemental appropriation of $10 million is anticipated for 1959 to pay subsidy bills due private ship operators.

INLAND WATERWAYS CORPORATION

Public enterprise funds:

INLAND WATERWAYS CORPORATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Liquidation of carrier program:			
Administrative expenses	$1,023	$2,500	$2,500
Other expenses	1,789	5,000	5,000
Total program costs	2,812	7,500	7,500
Relation of costs to obligations (decrease in deferred charges)	−1		
Total program (obligations)	2,811	7,500	7,500
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection of loans	402,253	708,500	627,500
Interest on loans	275,967	278,804	250,423
Other receipts	1,222		
Adjustment of prior year transactions	372,946		
Total amounts becoming available	1,052,388	987,304	877,923
Unobligated balance brought forward	4,752,624	5,802,201	6,782,005
Total amounts available	5,805,012	6,789,505	7,659,928
Unobligated balance carried forward	−5,802,201	−6,782,005	−7,652,428
Financing applied to program	2,811	7,500	7,500

The affairs of the Inland Waterways Corporation, in liquidation since 1953, are reduced to the collection of debt and the policing of the conduct of operations of the purchaser and successor carrier, Federal Barge Lines, Inc.

The original agreement between the purchaser and the United States, entered into in 1953, called for the purchase price of $9,000,000 to be repaid at the rate of $444,000 at

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the end of 1954, at $400,000 annually through 1963, the balance of $4,956,000 being due on June 30, 1964, with interest at 3.75% on the unpaid balance. In order to permit the purchaser to maintain his program of rehabilitating the equipment of the line, and to render service to the public comparable to that in existence under Federal operation, without seriously endangering his financial position, the original agreement has been amended. Under the amended agreement the annual payments on the principal are stepped up, but the date for final payment is extended until 1969. On June 30, 1958, the balance due was $6,956,000, of which $706,000 is to be repaid on June 30, 1959, and the remainder repaid in 10 equal installments of $625,000. The interest rate on the unpaid balance in 1959 to 1964, inclusive, is specified at 4%, and thereafter at 5%, which will result in the earning of $406,890 in interest in excess of that contemplated in the original plan.

Budget program.—Administration costs cover policing of operation of the Federal Barge Lines, Inc., and the incidental expenses. Reserves to pay claims and suits against the Corporation have been reduced to the estimated liability remaining after claims which were not brought into litigation have been outlawed.

Operating results.—Net income of $271,304 is expected for 1959, as the net of interest over administrative and other expenses.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Liquidation of carrier program: Expense	$2,812	$7,500	$7,500
Increase in selected working capital	1,058,410	357,400	
Total gross expenditures	1,061,222	364,900	7,500
Receipts from operations (funds provided):			
Liquidation of loan program:			
Loan repayments	402,253	708,500	627,500
Revenue	275,967	278,804	250,423
Liquidation of carrier program: Revenue	1,222		
Decrease in selected working capital			59,309
Adjustment of prior year transactions	372,946		
Total receipts from operations	1,052,388	987,304	937,232
Budget expenditures	8,834	−622,404	−929,732

Revenue, Expense, and Retained Earnings

Liquidation of loan program: Revenue	$275,967	$278,804	$250,423
Liquidation of carrier program:			
Revenue	1,222		
Expense	2,812	7,500	7,500
Net operating loss (−), liquidation of carrier program	−1,590	−7,500	−7,500
Net income for the year	274,377	271,304	242,923
Analysis of deficit:			
Deficit (−), beginning of year	−15,175,998	−14,528,675	−14,257,371
Adjustment of prior year transactions	372,946		
Deficit (−), end of year	−14,528,675	−14,257,371	−14,014,448

Financial Condition

Assets:			
Cash with Treasury	$5,323,015	$5,945,419	$6,875,151
Accounts receivable, net	678,281	984,486	875,177
Loans receivable, net	6,967,452	6,258,952	5,631,452
Total assets	12,968,748	13,188,857	13,381,780
Liabilities:			
Current	199,095	147,900	97,900
Government investment:			
Non-interest-bearing capital: Start and end of year	27,298,328	27,298,328	27,298,328
Deficit (−)	−14,528,675	−14,257,371	−14,014,448
Total Government investment	12,769,653	13,040,957	13,283,880

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$5,331,849	$5,323,015	$5,945,419	$6,875,151
Obligated balance, net:				
Current liabilities	579,225	199,095	147,900	97,900
Accounts receivable, net, and cash in transit (−)		−678,281	−984,486	−875,177
Total obligated balance	579,225	−479,186	−836,586	−777,277
Unobligated balance	4,752,624	5,802,201	6,782,005	7,652,428

Limitation on Administration Expenses, Inland Waterways Corporation

Not to exceed $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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total obligations)	$1,023	$2,500	$2,500
Financing:			
Unobligated balance no longer available	3,477		
Limitation	4,500	2,500	2,500

Object Classification

04	Communication services		$50	$50
06	Printing and reproduction	$23	50	50
07	Other contractual services		900	900
	Services performed by other agencies	1,000	1,500	1,500
	Total obligations	1,023	2,500	2,500

PATENT OFFICE

Current authorizations:

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] *$22,000,000. (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, 1959.)*

Appropriated 1959, **$19,000,000** Estimate 1960, **$22,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration of patent and trade-mark system	$15,891,501	$16,578,000	$17,645,000
2. Printing and publication of patent and trade-mark material	2,909,411	3,135,000	3,545,000
3. Executive direction and administrative services	724,942	807,000	810,000
Total obligations	19,525,854	20,520,000	22,000,000
Financing:			
Unobligated balance no longer available	19,146		
New obligational authority	19,545,000	20,520,000	22,000,000
New obligational authority:			
Appropriation	$19,545,000	$19,000,000	$22,000,000
Proposed supplemental due to pay increases		1,520,000	

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PATENT OFFICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The Office administers laws governing the granting of patents for invention and the registration of trade-marks.

The 1960 estimate provides for continuation of the effort to reduce the backlog of pending patent applications. It also provides for continuance of a program to modernize the patent classification system, and for a modestly augmented program of continued research and development of electronic devices applicable to the patent search process. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Receipts from fees were $6,938,521 in 1958, and are estimated under existing legislation to be $7,200,000 in 1959 and 1960. Proposed legislation would increase fees to more nearly cover the cost of Patent Office operations.

PATENT AND TRADE-MARK ISSUANCES

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Patents granted (excluding designs)	45,102	43,676	52,500	54,000
Design patents granted	2,375	2,572	3,000	3,000
Trade-marks registered	17,864	15,979	18,000	18,000

WORKLOAD SUMMARY

Patents (excluding designs):				
New applications received	73,783	76,956	77,000	77,000
Applications disposed of	75,039	85,457	85,000	92,000
Applications pending, end of year	215,535	207,166	199,000	184,000
Design patents:				
New applications received	4,675	4,838	5,000	5,000
Applications disposed of	4,549	4,767	6,000	6,000
Applications pending, end of year	6,757	6,832	6,000	5,000
Trade-mark registrations:				
New applications received	21,581	21,770	22,000	22,000
Applications disposed of	21,691	20,034	23,000	23,000
Applications pending, end of year	25,587	27,323	26,000	25,000

1. *Administration of patent and trade-mark system.*—Applications are examined to determine the patentability of claimed inventions and the registrability of trade-marks; quasi-judicial functions are performed in appeal or interference proceedings within the Office; patents and trade-marks are issued; and copies of records are furnished.

2. *Printing and publication of patent and trade-mark material.*—This activity provides for printing of specifications and drawings of patents and trade-mark registrations; publication of their issuance and of official notices, rules of practice, and laws; and binding of patents, trade-marks, and other reference material for official and public search. The need for funds is governed largely by the volume of issuances, and related public demand for printed copies.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,350	2,310	2,440
Average number of all employees	2,255	2,210	2,340
Number of employees at end of year	2,252	2,165	2,400
Average GS grade and salary	7.8 $6,112	8.3 $6,886	8.2 $6,792
01 Personal services:			
Permanent positions	$14,325,247	$15,302,000	$15,968,000
Other personal services	350,573	148,000	427,000
Total personal services	14,675,820	15,450,000	16,395,000
02 Travel	17,677	17,000	20,000
03 Transportation of things	15,645	7,000	9,000
04 Communication services	93,441	115,000	125,000
05 Rents and utility services	55,936	80,000	80,000
06 Printing and reproduction	2,909,411	3,135,000	3,545,000
07 Other contractual services	86,466	175,000	180,000
Services performed by other agencies	353,803	150,000	175,000
08 Supplies and materials	202,684	180,000	190,000
09 Equipment	208,557	210,000	230,000
11 Grants, subsidies, and contributions	894,347	1,000,000	1,050,000
13 Refunds, awards, and indemnities	$10,660		
15 Taxes and assessments	1,407	$1,000	$1,000
Total obligations	19,525,854	20,520,000	22,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Technical assistance (Federal Trade Commission)	$2,288		
Financing:			
Advances and reimbursements from other accounts	2,288		

Object Classification

Number of employees at end of year	0		
01 Personal services: Permanent positions	$2,288		

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Printing and publication of patent and trade-mark material (total obligations)		$315,000	
Financing:			
Proposed supplemental appropriation		315,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated for 1959 to provide for additional printing requirements, attributable to both an increase in printing rates and an increase in the number of patents eventuating for issuance.

BUREAU OF PUBLIC ROADS

Current authorizations:

LIMITATION ON GENERAL ADMINISTRATIVE EXPENSES

[General administrative expenses:] Necessary expenses of administration *and research* (not to exceed [$26,239,000] *$29,540,000*), including [advertising (including advertising in the city of Washington for work to be performed in areas adjacent thereto),] purchase of [fifty] *thirty* passenger motor vehicles for replacement only, [and the maintenance and repairs of experimental highways,] shall be paid, in accordance with law, from appropriations made available by this Act to the Bureau of Public Roads and from advances and reimbursements received by the Bureau of Public Roads.

Of the total amount available from appropriations of the Bureau of Public Roads for general administrative *and research* expenses, pursuant to the provisions of [section 21 of the Act of November 9, 1921, as amended (23 U. S. C. 21)] *title 23, United States Code, section 104 (a)*, $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

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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] *carrying out the provisions of title 23, United States Code, section 309. (Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration and research (total obligations)	$25,666,624	$28,274,000	$29,540,000
Financing:			
Limitation	25,666,624	26,239,000	29,540,000
Proposed increase in limitation due to pay increases		2,035,000	

Administration and research.—Administrative, engineering, and research expenses are met by deductions from Federal-aid authorizations as prescribed by specific limitations and by reimbursement from other appropriations for highway construction. The 1959 and 1960 estimates include costs in connection with the AASHO (Jllinois) road test and several special studies expressly directed in the 1956 and 1958 acts. Highway research is carried out independently as well as in cooperation with the State highway departments.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	2,779	2,962	3,076
	Full-time equivalent of all other positions	48	46	46
	Average number of all employees	2,355	2,830	2,978
	Number of employees at end of year	2,661	2,841	3,051
	Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01	Personal services:			
	Permanent positions	$15,312,084	$20,125,000	$21,150,000
	Positions other than permanent	266,496	167,000	200,000
	Other personal services	345,910	358,000	465,000
	Total personal services	15,924,490	20,650,000	21,815,000
02	Travel	1,027,959	1,463,000	1,785,000
03	Transportation of things	105,573	155,000	155,000
04	Communication services	284,560	298,000	340,000
05	Rents and utility services	522,663	883,000	1,048,000
06	Printing and reproduction	94,497	119,000	119,000
07	Other contractual services	359,707	330,000	330,000
	Services performed by other agencies	1,079,123	945,000	1,065,000
08	Supplies and materials	307,523	326,000	326,000
09	Equipment	610,551	600,000	500,000
10	Lands and structures		225,000	
11	Grants, subsidies, and contributions	5,318,668	2,253,000	2,030,000
13	Refunds, awards, and indemnities	23,219	19,000	19,000
15	Taxes and assessments	8,091	8,000	8,000
	Total obligations	25,666,624	28,274,000	29,540,000

Federal-Aid Highways (Trust Fund)

For carrying out the provisions of [the Federal-Aid Road Act of July 11, 1916, as amended and supplemented,] *title 23, United States Code,* which are attributable to Federal-aid highways, to remain available until expended, not more than [$2,350,000,000] *$2,840,000,000,* to be derived from the "Highway trust fund"; which sum is composed of [$327,500,000] *$535,500,000,* the balance of the amount authorized for the fiscal year [1957, and $2,014,500,000] *1958, and $2,295,500,000,* a part of the amount authorized to be appropriated for the fiscal year [1958, and $51,055.41 and $7,483,952.74, the latter sums being] *1959, and $9,000,000* 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 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, 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 not to exceed $600,000 of the amount made available herein may be used for the purchase, construction, or alteration of buildings and sites necessary for road construction and maintenance activities in Alaska] *title 23, United States Code, section 125. (Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Grants for construction:			
(a) Interstate system	$1,860,924,428	$2,180,000,000	$2,478,000,000
(b) Primary system	411,348,726	390,000,000	401,000,000
(c) Secondary system	253,451,687	260,000,000	268,000,000
(d) Urban highways	201,240,843	217,000,000	223,000,000
(e) Additional authorization for primary, secondary and urban systems	148,699,365	251,300,635	
(f) Advance of matching funds for additional authorization	38,087,952	76,912,048	
(g) Disaster assistance	8,109,032	9,613,317	9,560,000
(h) Undistributed	2,207,158		
2. Administration and research	23,755,841	25,174,000	26,440,000
Total direct obligations	2,947,825,032	3,410,000,000	3,406,000,000
Reimbursable obligations:			
1. Grants for construction	1,838,166	4,900,000	900,000
2. Administration and research:			
Department of Agriculture	169,222	274,000	225,000
Department of Defense	61,599	224,000	168,000
Department of the Interior	591,534	1,245,000	1,266,000
Bureau of Public Roads:			
Forest highways	639,953	913,000	1,100,000
Public lands highways	22,792	44,000	43,000
Miscellaneous accounts	143,764	116,000	73,000
Miscelleneous:			
Other Federal agencies	269,467	272,200	218,000
Non-Federal sources	12,452	11,800	7,000
Total reimbursable obligations	3,748,949	8,000,000	4,000,000
Total obligations	2,951,573,981	3,418,000,000	3,410,000,000
Financing:			
Unobligated balance brought forward:			
Appropriation	−4		
Contract authorization	−2,268,147,746	−2,918,431,750	−2,920,252,225
Advances and reimbursements from—			
Other accounts	−3,458,681	−6,488,200	−3,093,000
Non-Federal sources	−290,268	−1,511,800	−907,000
Recovery of prior year obligations		−2,207,158	
Unobligated balance carried forward (contract authorization)	2,918,431,750	2,920,252,225	2,891,312,225
Unobligated balance no longer available (contract authorization)	21,890,968	20,386,683	20,440,000
Contract authorization (new)	3,620,000,000	3,430,000,000	3,397,500,000

Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Unfunded balance at beginning of year	$4,603,770,618	$6,511,879,650	$7,571,492,967
Contract authorization (new)	3,620,000,000	3,430,000,000	3,397,500,000
Administrative cancellation of unfunded balance	−21,890,968	−20,386,683	−20,440,000
Unfunded balance at end of year	−6,511,879,650	−7,571,492,967	−8,108,552,967
Transfer from "Highway trust fund" to liquidate contract authorization	1,690,000,000	2,350,000,000	2,840,000,000

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 the enactment of the Federal-Aid Highway Act of 1956 and further expanded with the passage of the Federal-Aid Highway Act of 1958. In addition to providing increased authorizations for the interstate program and the primary, secondary, and urban authorizations for 1960 and 1961, the 1958 act authorized an additional $400 million for 1959 for the primary, secondary, and urban program. These funds were obligated prior to December 1, 1958, and the projects are to be completed prior to December 1, 1959, as required by the law.

A further provision of the 1958 act authorized the advance of $115 million to the States to provide matching funds to finance the additional authorizations. This advance is to be repaid in two equal installments out of authorizations for 1961 and 1962.

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

FEDERAL-AID HIGHWAYS (TRUST FUND)—Continued

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 1958 and it is estimated they will continue to satisfy expenditure requirements in 1959. Current estimates indicate that there will be a deficit in the fund in 1960. It is proposed to cover this deficit by increasing motor fuel taxes by 1½ cents per gallon, effective July 1, 1959, to extend through June 30, 1964. This tax will provide sufficient revenues to permit apportionment of all available Federal-aid authorizations for 1961 and 1962. This is shown under proposed legislation for the account Highway trust fund.

It is also proposed that in 1960 the special provisions of highway law applicable to Alaska be amended to permit participation in the Federal-aid highway program on the same basis as other States. This program will not be carried on as a direct operation by the Bureau of Public Roads in 1960.

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	$875,000	$837,322	$594,925	5,898	$1,382,992	$710,000
1956	2,000,000	1,939,236	740,343	6,650	1,695,808	885,000
1957	2,550,000	2,268,148	965,507	7,966	3,361,000	2,212,000
1958	3,590,000	2,918,432	1,511,396	9,490	4,128,000	2,876,000
1959	3,400,000	2,920,252	2,451,000	11,700	4,690,000	3,298,000
1960	3,367,500	2,891,312	3,002,000	9,800	4,688,000	3,370,000

[1] Annual authorizations become available for obligation not later than Jan. 1 in the preceding year and are shown in the year in which they become available. Amounts exclude contract authorizations for disaster assistance.

THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS—STATUS OF THE PROGRAM AS OF DEC. 1, 1958

[Dollars in thousands]

State	Miles on system [1]	Apportionment to States (1956 and 1958 acts 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	870	$148,666	$49,492	$45,829	118.6	$54,891	145.3	$9,064	$6,937	36.3
Arizona	1,161	90,062	36,099	15,643	61.2	38,902	190.6	9,031	7,948	101.6
Arkansas	523	95,493	2,187	50,244	84.1	46,749	46.6	4,186	2,706	9.6
California	2,148	533,716	135,672	33,128	33.2	364,915	206.4	68,508	50,431	68.6
Colorado	676	85,965	22,063	14,999	54.4	51,422	196.8	27,764	23,064	161.2
Connecticut	276	77,456	41,908	-------	-------	38,512	26.0	12,171	9,388	18.3
Delaware	39	39,318	15,982	9,362	2.9	16,230	1.9	-------	-------	-------
Florida	1,105	147,413	36,683	25,738	28.6	87,520	61.0	6,434	3,565	4.1
Georgia	1,112	173,569	67,567	37,187	69.2	74,471	67.4	1,255	753	-------
Idaho	611	66,777	38,479	8,451	15.3	22,575	78.6	6,552	4,459	23.0
Illinois	1,608	357,960	76,884	57,992	59.2	223,812	96.4	51,316	33,262	85.1
Indiana	1,090	190,610	94,101	29,606	31.6	72,424	79.6	4,155	2,574	4.6
Iowa	710	123,059	10,089	35,628	122.5	84,210	269.0	17,627	14,165	77.0
Kansas	803	110,784	29,634	20,829	54.7	60,435	203.6	17,819	13,775	109.3
Kentucky	604	135,284	35,999	19,849	17.0	83,117	90.0	4,787	3,083	3.8
Louisiana	595	146,229	47,311	12,157	17.8	89,388	57.7	1,466	989	5.6
Maine	313	52,095	14,858	8,308	8.5	30,545	35.2	3,952	2,415	8.3
Maryland	354	114,831	35,836	24,996	20.0	55,107	35.1	15,541	12,598	11.5
Massachusetts	450	173,668	42,021	40,249	13.4	93,228	34.8	20	18	-------
Michigan	1,064	273,995	55,417	45,443	59.9	174,754	134.7	59,647	47,475	128.8
Minnesota	888	157,210	69,343	10,010	8.2	80,783	57.9	12,201	9,262	93.4
Mississippi	674	104,836	35,713	15,378	45.8	56,264	148.7	2,326	1,388	27.7
Missouri	1,102	203,083	71,182	1,464	-------	130,813	133.6	30,169	24,833	61.7
Montana	1,236	98,443	62,413	4,442	6.1	36,652	111.5	2,562	1,801	49.8
Nebraska	488	85,372	54,702	1,747	3.5	34,259	24.3	889	733	.5
Nevada	540	64,027	35,755	3,360	9.6	26,977	41.0	4,619	4,202	11.8
New Hampshire	215	44,244	5,645	14,658	21.7	26,060	33.2	8,282	6,454	10.2
New Jersey	369	187,543	105,499	9,132	7.4	79,740	26.8	5,892	4,858	5.8
New Mexico	1,003	89,260	15,188	14,229	27.6	60,001	258.1	40,214	37,032	194.0
New York	1,199	470,746	119,245	11,975	9.4	342,471	105.0	21,739	10,607	16.8
North Carolina	678	137,891	48,198	25,416	112.9	68,756	352.1	16,037	11,821	118.3
North Dakota	565	65,060	12,890	24,458	164.5	30,488	182.3	22,644	20,044	173.7
Ohio	1,344	370,950	2,564	3,234	.1	368,244	277.8	40,093	28,953	62.5
Oklahoma	792	110,212	26,011	17,012	60.1	70,451	223.0	17,695	12,824	56.2
Oregon	715	109,273	32,058	16,120	50.9	65,477	283.5	24,651	18,425	129.7
Pennsylvania	1,557	363,286	103,587	32,730	26.3	235,732	193.2	45,414	33,047	62.3
Rhode Island	71	42,154	20,032	4	-------	22,467	17.8	14,034	11,538	8.7
South Carolina	679	86,205	3,567	27,662	65.7	58,019	210.5	1,566	1,058	12.7
South Dakota	679	67,313	14,475	28,681	65.4	26,414	66.7	8,130	5,658	104.5
Tennessee	969	177,956	53,441	23,499	21.0	108,230	95.1	27	16	-------
Texas	3,034	394,130	117,549	50,764	89.1	226,992	622.7	85,360	68,940	455.4
Utah	739	70,845	19,589	18,008	56.4	33,083	38.8	5,827	4,896	17.4
Vermont	321	54,020	16,270	21,222	18.2	18,761	11.7	2,963	1,778	5.3
Virginia	996	204,144	87,929	42,118	46.4	77,492	87.8	7,356	4,985	31.8
Washington	617	123,797	34,522	8,351	32.4	83,581	221.9	35,469	25,712	132.6
West Virginia	229	89,296	28,639	27,547	23.8	36,973	28.4	-------	-------	-------
Wisconsin	452	137,423	55,878	24,903	48.9	63,390	214.9	10,881	8,493	34.9
Wyoming	931	76,617	10,111	19,821	74.1	47,657	184.9	7,711	6,127	53.7
District of Columbia	29	55,214	26,224	8,872	.5	22,237	1.1	-------	-------	-------
Total	39,223	7,377,500	2,176,501	1,042,455	1,968.1	4,301,671	6,311.0	796,046	605,090	2,788.3

[1] Mileage of designated interstate system as of Dec. 31, 1957. 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.

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Reimbursable obligations.—Reimbursable construction and maintenance services in Alaska are included for 1958 and 1959 but not for 1960 since this program is no longer a direct Federal responsibility. Administrative services for other programs of the Bureau of Public Roads and other agencies are initially financed from this fund and reimbursements of their pro rata share are collected periodically from the other programs. These amounts are included in the limitation established for administration and research.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	486	605	
Full-time equivalent of all other positions	128	26	
Average number of all employees	482	530	
Number of employees at end of year	765	540	
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
Personal service obligations:			
Permanent positions	$2,357,373	$3,454,000	
Positions other than permanent	804,971	248,000	
Other personal services	602,146	379,000	
Total personal service obligations	3,764,490	4,081,000	
Direct obligations:			
01 Personal services	3,195,179	3,488,000	
02 Travel	140,908	87,000	
03 Transportation of things	319,034	287,000	
04 Communication services	4,485	11,000	
05 Rents and utility services	47,125	42,000	
06 Printing and reproduction	108	4,000	
07 Other contractual services	157,379	38,000	
Services performed by other agencies	472,138	114,000	
08 Supplies and materials	1,741,589	4,360,000	
09 Equipment	420,216	546,000	
10 Lands and structures	2,218,984	13,538,000	
11 Grants, subsidies, and contributions	2,915,445,547	3,362,396,000	$3,379,560,000
13 Refunds, awards, and indemnities	789		
15 Taxes and assessments	30,602	55,000	
Subtotal	2,924,194,083	3,384,966,000	3,379,560,000
Deduct quarters and subsistence charges	124,892	140,000	
Total direct obligations	2,924,069,191	3,384,826,000	3,379,560,000
Reimbursable obligations:			
01 Personal services	569,311	593,000	
02 Travel	25,107	13,000	
03 Transportation of things	56,844	42,000	
04 Communication services	799	2,000	
05 Rents and utility services	8,396	6,000	
06 Printing and reproduction	19	1,000	
07 Other contractual services	28,041	5,000	
Services performed by other agencies	84,125	17,000	
08 Supplies and materials	310,313	634,000	
09 Equipment	352,689	1,579,000	900,000
10 Lands and structures	395,374	2,028,000	
11 Grants, subsidies, and contributions	23,808	32,000	
13 Refunds, awards, and indemnities	140		
15 Taxes and assessments	5,453	8,000	
Subtotal	1,860,419	4,960,000	900,000
Deduct quarters and subsistence charges	22,253	60,000	
Total reimbursable obligations	1,838,166	4,900,000	900,000
Administration and research, "Limitation on general administrative expenses"	25,666,624	28,274,000	29,540,000
Total obligations	2,951,573,981	3,418,000,000	3,410,000,000

Forest Highways (*Trust Fund*) (*Liquidation of Contract Authorization*)

For [expenses, not otherwise provided for, necessary for] *payment of obligations incurred in* carrying out the provisions of [section 23 of the Federal Highway Act of November 9, 1921, as amended (23 U. S. C. 23, 23a)] *title 23, United States Code, section 204, pursuant to contract authorization granted by title 23, United States Code, section 203,* to remain available until expended, [$30,000,000] *$37,100,000, to be derived from the "Highway trust fund"*, which sum is composed of [$21,250,000] *$33,350,000*, the remainder of the amount authorized to be appropriated for the fiscal year [1958] *1959*, and [$8,750,000] *$3,750,000*, a part of the amount authorized to be appropriated for the fiscal year [1959] *1960: Provided, That the unexpended balances as of June 30, 1959, of appropriations heretofore granted under the head "Forest highways" or "Forest highways (liquidation of contract authorization)" are rescinded and shall be credited to miscellaneous receipts of the Treasury: Provided further,* That this appropriation shall be available for the rental, purchase, construction, or alterations 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, 1959.*)

NOTE.—Estimate is for activities previously carried under "Forest highways." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Construction	$23,620,849	$36,872,000	$37,000,000
2. Administration	639,953	913,000	1,100,000
3. Forest Service administration	103,988	100,000	100,000
Total direct obligations	24,364,790	37,885,000	38,200,000
Reimbursable obligations:			
1. Construction	1,656,081	1,575,000	1,575,000
Total obligations	26,020,871	39,460,000	39,775,000
Financing:			
Comparative transfers from (−) other accounts	−26,020,871	−39,460,000	
Unobligated balance of prior contract authorization transferred from "Forest highways"			−33,746,844
Advances and reimbursements from—			
Other accounts			−1,400,000
Non-Federal sources			−175,000
Unobligated balance carried forward (contract authorization)			28,546,844
Contract authorization (new obligational authority)			33,000,000

Status of Unfunded Contract Authorization

Unfunded balance transferred from "Forest highways"			$66,350,000
Contract authorization (new)			33,000,000
Unfunded balance at end of year			−62,250,000
Transfer from "Highway trust fund" to liquidate contract authorization (see below)			37,100,000

NOTE.—Reimbursements from non-Federal sources above are derived from the proceeds of sale of personal property (23 U. S. C. 308 (a) and (b)).

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 $35 million and $33 million are available for 1959 and 1960, respectively.

It is proposed that, beginning in 1960, 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	30,000,000	497	27,996,634	23,424,112	21,502,050
1958	35,000,000	352	38,631,844	23,620,849	22,675,846
1959	33,000,000	400	33,746,844	36,872,000	28,003,557
1960	33,000,000	500	28,546,844	37,000,000	37,100,000

[1] Each fiscal year authorization becomes available for obligation not later than Jan. 1 in the preceding fiscal year and are shown in the year in which they become available.

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

FOREST HIGHWAYS (*TRUST FUND*) (*LIQUIDATION OF CONTRACT AUTHORIZATION*)—Continued

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	625	625	625
Full-time equivalent of all other positions	127	140	140
Average number of all employees	576	630	630
Number of employees at end of year	984	1,080	1,080
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
Personal service obligations:			
Permanent positions	$2,465,992	$2,800,000	$2,840,000
Positions other than permanent	481,278	550,000	550,000
Other personal services	120,450	150,000	160,000
Total personal service obligations	3,067,720	3,500,000	3,550,000
Direct obligations:			
01 Personal services	2,872,478	3,360,000	3,407,000
02 Travel	378,058	481,000	483,000
03 Transportation of things	15,580	29,000	27,000
04 Communication services	9,160	13,000	13,000
05 Rents and utility services	137,265	198,000	193,000
06 Printing and reproduction	11,711	16,000	16,000
07 Other contractual services	130,229	132,000	136,000
Services performed by other agencies	1,086,858	1,236,000	1,138,000
08 Supplies and materials	428,162	513,000	513,000
09 Equipment	272,318	214,000	199,000
10 Lands and structures	18,881,261	31,506,000	31,891,000
11 Grants, subsidies, and contributions	133,740	174,000	169,000
15 Taxes and assessments	10,138	18,000	20,000
Subtotal	24,366,958	37,890,000	38,205,000
Deduct quarters and subsistence charges	2,168	5,000	5,000
Total direct obligations	24,364,790	37,885,000	38,200,000
Reimbursable obligations:			
01 Personal services	195,242	140,000	143,000
02 Travel	25,697	20,000	20,000
03 Transportation of things	1,059	1,000	1,000
04 Communication services	623	1,000	1,000
05 Rents and utility services	9,330	8,000	8,000
06 Printing and reproduction	797	1,000	1,000
07 Other contractual services	8,852	6,000	6,000
Services performed by other agencies	73,874	46,000	47,000
08 Supplies and materials	29,103	21,000	21,000
09 Equipment	18,510	9,000	8,000
10 Lands and structures	1,283,358	1,314,000	1,311,000
11 Grants, subsidies, and contributions	9,092	7,000	7,000
15 Taxes and assessments	691	1,000	1,000
Subtotal	1,656,228	1,575,000	1,575,000
Deduct quarters and subsistence charges	147		
Total reimbursable obligations	1,656,081	1,575,000	1,575,000
Total obligations	26,020,871	39,460,000	39,775,000

PUBLIC LANDS HIGHWAYS (*TRUST FUND*) (*LIQUIDATION OF CONTRACT AUTHORIZATION*)

For payment of obligations incurred *in carrying out the provisions of title 23, United States Code, section 209,* pursuant to the contract authorization granted by [section 106 of the Federal-Aid Highway Act of 1956 (23 U. S. C. 155)] *title 23, United States Code, section 203,* to remain available until expended, [$2,692,000] *$4,000,000, to be derived from the "Highway trust fund"*, which sum is composed of [$692,000] *$1,000,000,* the balance of the amount authorized to be appropriated for the fiscal year [1958, and $2,000,000, a part of] *1959, and $3,000,000,* the amount authorized for the fiscal year [1959] *1960: Provided, That the unexpended balances as of June 30, 1959, of appropriations heretofore granted under the head "Public lands highways" or "Public lands highways (liquidation of contract authorization)" are rescinded and shall be credited to miscellaneous receipts of the Treasury. (Department of Commerce and Related Agencies Appropriation Act, 1959.)*

NOTE.—Estimate for activities previously carried under "Public lands highways." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction	$2,117,878	$5,325,653	$2,957,000
2. Administration	22,792	44,000	43,000
Total obligations	2,140,670	5,369,653	3,000,000
Financing:			
Comparative transfers from (−) other accounts	−2,140,670	−5,369,653	
Unobligated balance of prior contract authorization transferred from "Public lands highways"			−60,000
Unobligated balance carried forward (contract authorization)			60,000
Contract authorization (new obligational authority)			3,000,000

Status of Unfunded Contract Authorization

Unfunded balance transferred from "Public lands highways"			$4,000,000
Contract authorization (new)			3,000,000
Unfunded balance at end of year			−3,000,000
Transfer from "Highway trust fund" to liquidate contract authorization (see below)			4,000,000

1. *Construction.*—Highways are constructed and improved through public lands in those States with large areas of such lands. The 1960 estimate finances the additional authorization ($1 million) for 1959 and the full amount ($3 million) of the authorization for 1960. These authorizations were provided by section 5 of the Federal-Aid Highway Act of 1958 (72 Stat. 89).

It is proposed that, beginning in 1960, 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.

2. *Administration.*—This activity represents the estimated cost of administration and engineering supervision of the program.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5	8	8
Full-time equivalent of all other positions	1	5	5
Average number of all employees	5	13	13
Number of employees at end of year	7	11	11
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$15,355	$36,550	$38,500
Positions other than permanent	3,915	22,000	19,800
Other personal services	184	450	700
Total personal services	19,454	59,000	59,000
02 Travel	6,657	8,000	8,000
03 Transportation of things	13	50	50
04 Communication services	26	50	50
05 Rents and utility services	88	100	100
06 Printing and reproduction	11	100	100
07 Other contractual services	1,170	1,500	1,500
Services performed by other agencies	32,497	44,000	43,000
08 Supplies and materials	2,148	3,000	3,000
10 Lands and structures	2,077,395	5,251,253	2,882,600
11 Grants, subsidies, and contributions	1,211	2,600	2,600
Total obligations	2,140,670	5,369,653	3,000,000

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Forest Highways

Appropriated 1959, [a] **$30,000,000**

[a] Appropriated in Department of Commerce and Related Agencies Appropriation Act, 1959.

NOTE.—Estimate of $37,100,000 previously carried under this title has been transferred in the estimates to "Forest highways (trust fund) (liquidation of contract authorization)." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$26,020,871	$39,460,000	
Unobligated balance brought forward (contract authorization)	−27,996,634	−38,631,844	−$33,746,844
Unobligated balance of prior contract authorization transferred to "Forest highways (trust fund) (liquidation of contract authorization)"			[1] 33,746,844
Advances and reimbursements from—			
Other accounts	−1,478,880	−1,400,000	
Non-Federal sources	−177,201	−175,000	
Unobligated balance carried forward (contract authorization)	38,631,844	33,746,844	
Contract authorization (new obligational authority)	35,000,000	33,000,000	

[1] An obligated balance of $32,603,156 is also being transferred and for summarization this amount is tabulated as a recovery of prior year obligations. The total, $66,350,000 is written off as an unobligated balance no longer available in the general fund.

NOTE.—Reimbursements from non-Federal sources above are derived from the proceeds of sale of personal property (23 U. S. C. 308 (a) and (b)).

Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Unfunded balance at beginning of year	$46,250,000	$56,250,000	$59,250,000
Contract authorization (new)	35,000,000	33,000,000	
Restoration of contract authorization (appropriation balance written off)			7,100,000
Unfunded balance transferred to "Forest highways (trust fund) (liquidation of contract authorization)"			−66,350,000
Unfunded balance at end of year	−56,250,000	−59,250,000	
Appropriation to liquidate contract authorization	25,000,000	30,000,000	

Public Lands Highways

Appropriated 1959, [a] **$2,692,000**

[a] Appropriated in Department of Commerce and Related Agencies Appropriation Act, 1959.

NOTE.—Estimate of $4,000,000 previously carried under this title has been transferred in the estimates to "Public lands highways (trust fund) (liquidation of contract authorization)." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$2,140,670	$5,369,653	
Unobligated balance brought forward (contract authorization)	−1,570,323	−2,429,653	−$60,000
Unobligated balance of prior contract authorization transferred to "Public lands highways (trust fund) (liquidation of contract authorization)"			[1] 60,000
Unobligated balance carried forward (contract authorization)	2,429,653	60,000	
Contract authorization (new obligational authority)	3,000,000	3,000,000	

Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Unfunded balance at beginning of year	$3,725,000	$3,692,000	$4,000,000
Contract authorization (new)	3,000,000	3,000,000	
Unfunded balance transferred to "Public lands highways (trust fund) (liquidation of contract authorization)"			−4,000,000
Unfunded balance at end of year	−3,692,000	−4,000,000	
Appropriation to liquidate contract authorization	3,033,000	2,692,000	

[1] An obligated balance of $3,940,000 is also being transferred and for summarization this amount is tabulated as a recovery of prior year obligations. The total, $4,000,000, is written off as an unobligated balance no longer available in the general fund.

[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, $10,000,000.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$10,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Construction	$9,126,426	$17,905,190	
2. Administration and engineering	356,031	400,000	$400,000
Total direct obligations	9,482,457	18,305,190	400,000
Reimbursable obligations:			
1. Construction	8,104		
2. Administration and engineering	324		
Total reimbursable obligations	8,428		
Total obligations	9,490,885	18,305,190	400,000
Financing:			
Unobligated balance brought forward	−6,582,647	−9,100,190	−795,000
Advances and reimbursements from—			
Other accounts	−7,248		
Non-Federal sources	−1,180		
Unobligated balance carried forward	9,100,190	795,000	395,000
Appropriation (new obligational authority)	12,000,000	10,000,000	

NOTE.—Reimbursements from non-Federal sources above are derived from the proceeds of sale of personal property (23 U. S. C. 308 (a) and (b)).

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.

It is estimated that all grading will be completed during calendar year 1959 leaving only bridges in southern Costa Rica to be constructed before the highway will be passable.

2. *Administration and engineering.*—A small administrative and engineering staff is maintained in Washington and in the Central American countries.

Object Classification

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		94	94	94
Full-time equivalent of all other positions		3		
Average number of all employees		78	88	87
Number of employees at end of year		80	93	91
Average GS grade and salary		7.7 $5,883	7.8 $6,502	7.9 $6,604
Direct obligations:				
01	Personal services:			
	Permanent positions	$445,370	$589,300	$582,600
	Positions other than permanent	6,535		
	Other personal services	143,665	215,100	217,400
	Total personal services	595,570	804,400	800,000
02	Travel	38,074	60,000	70,000
03	Transportation of things	50,584	37,000	47,000
04	Communication services	6,319	8,000	8,000
05	Rents and utility services	27,303	6,000	6,000
06	Printing and reproduction	2,936	500	500
07	Other contractual services	4,916	30,000	30,000
	Services performed by other agencies	37,108	40,000	40,000
08	Supplies and materials	312,556	300,000	105,500
09	Equipment	41,403	10,000	5,000
11	Grants, subsidies, and contributions	9,149,946	17,925,990	
15	Taxes and assessments	1,049	1,000	1,100
	Subtotal	10,267,764	19,222,890	1,113,100
	Deduct portion of foregoing obligations originally charged to object class 11	785,307	917,700	713,100
	Total direct obligations	9,482,457	18,305,190	400,000
Reimbursable obligations:				
07	Other contractual services	8,428		
	Total obligations	9,490,885	18,305,190	400,000

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

BUREAU OF PUBLIC ROADS MISCELLANEOUS ACCOUNTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. "Woodrow Wilson Memorial Bridge"	$477,672	$13,488,427	$355,000
2. "Access roads (act of Sept. 7, 1950)"	94,855	406,028	183,000
3. "Construction, operation, and maintenance of roads, Alaska"	555,881	578,540	
4. "Reimbursement to the highway fund, District of Columbia"	200,000		
Total obligations	1,328,408	14,472,995	538,000
Financing:			
Unobligated balance brought forward	−17,073,754	−15,404,157	−931,162
Unobligated balance transferred to "Plant acquisition and construction," Atomic Energy Commission (67 Stat. 188)	341,189		
Unobligated balance carried forward	15,404,157	931,162	393,162
Appropriation (new obligational authority)			

1. *Woodrow Wilson Memorial Bridge.*—Funds provide for the construction of a bridge over the Potomac River near Jones Point, Va. During 1958 the design was completed. Construction will be initiated during 1959 and completion is expected by August 1961.

2. *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 are also used for maintenance of the Pentagon network and Shirley Highway in Arlington County, Va.

3. *Construction, operation, and maintenance of roads, Alaska.*—Construction, operation, and maintenance of highways in Alaska are now financed from Federal-aid highway funds. These funds are being used to complete the programs of the former Alaska Road Commission.

4. *Reimbursement to the highway fund, District of Columbia.*—This fund reimbursed the District of Columbia for part of construction costs of a highway railroad grade separation in the vicinity of East Capitol Street.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	39	50	49
Full-time equivalent of all other positions	17	1	
Average number of all employees	48	48	46
Number of employees at end of year	19	46	46
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$157,855	$230,800	$228,200
Positions other than permanent	116,231	8,300	
Other personal services	95,019	4,900	4,700
Total personal services	369,105	244,000	232,900
02 Travel	37,001	15,000	12,000
03 Transportation of things	1,291	1,500	1,200
04 Communication services	1	1,000	900
05 Rents and utility services	4,209	5,000	4,500
06 Printing and reproduction	1,024	1,200	1,000
07 Other contractual services	220,180	42,000	33,000
Services performed by other agencies	486,540	98,000	73,000
08 Supplies and materials	128,515	25,000	22,000
09 Equipment	96,687	5,000	5,000
10 Lands and structures		14,020,095	138,300
11 Grants, subsidies, and contributions	204,228	15,000	14,000
13 Refunds, awards, and indemnities	437		
15 Taxes and assessments	555	200	200
Subtotal	1,549,773	14,472,995	538,000
Deduct—			
Quarters and subsistence charges	2,618		
Portion of foregoing obligations originally charged to object class 10	218,747		
Total obligations	1,328,408	14,472,995	538,000

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 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] *Not* to exceed $10,000 may be expended *during the current fiscal year* for services of individuals employed *pursuant to section 15 of the act of August 2, 1946 (5 U. S. C. 55a),* at rates in excess of $50 per diem. (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

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."
"Operation and maintenance, 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.
"Salaries and expenses," National Science Foundation.

Trust funds:

HIGHWAY TRUST FUND

Amounts Available for Transfer

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts available:			
Balances brought forward:			
Cash	$111,891,489	$226,307,925	$71,000,000
U. S. securities (par)	404,444,000	822,226,000	568,000,000
Receipts:			
Excise taxes (transfer from general fund receipts):			
Existing legislation	2,116,028,211	2,130,000,000	2,217,000,000
Proposed legislation			689,000,000
Interest on investments:			
Existing legislation	17,686,110	13,000,000	5,000,000
Proposed legislation			1,000,000
Total amounts available	2,650,049,810	3,191,533,925	3,551,000,000
Transfers and balances:			
Transfers to—			
"Refunds and labor standards":			
Existing legislation	90,121,234	102,000,000	100,000,000
Proposed legislation			−7,000,000
"Federal-aid highways (trust fund)"	1,511,394,651	2,450,533,925	3,002,000,000
"Forest highways (trust fund)"			37,100,000
"Public lands highways (trust fund)"			4,000,000

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Amounts Available for Transfer—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Balance carried forward:			
Cash	$226,307,925	$71,000,000	
U. S. securities (par)	822,226,000	568,000,000	$414,900,000
Total transfers and balances	2,650,049,810	3,191,533,925	3,551,000,000

The Highway Revenue Act of 1956 (70 Stat. 374) provides for the transfer from the general fund of sums 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, annual appropriations are authorized from this trust fund to Federal-aid highways (trust fund). Amounts in the fund not currently required are invested in United States securities, and interest thereon is added to the fund.

As indicated in the above schedules, it is estimated that revenue under existing legislation now going into the trust fund will be insufficient to cover expenditures in 1960 by $241 million. Legislation will be proposed to increase motor fuel taxes by 1½ cents per gallon in order that adequate revenue is available in the fund to liquidate past obligations under the Federal-aid highway program and to assure that future authorizations can be apportioned as they become available. This tax increase would become effective July 1, 1959, and remain in force until June 30, 1964.

The budget also proposes to transfer the financing of the Department of Commerce forest and public lands highways programs from the general fund to the Highway trust fund and, accordingly, the above schedules in 1960 have been adjusted to reflect this proposal.

It is proposed also that the revenues from aviation gasoline tax that presently go into the Highway trust fund be retained in the general fund as part of the user charge program for aviation. This proposal is shown under Proposed for later transmission.

The status of the fund is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Investment in U. S. securities at beginning of year (par)	$404,444,000	$822,226,000	$568,000,000
Cash:			
Highway trust fund	27,398,223	[1]—36,790,690	71,000,000
Federal-aid highways (trust fund)	84,493,266	263,098,615	
Balance of fund at beginning of year	516,335,489	1,048,533,925	639,000,000
Cash income during year:			
From excise taxes:			
Existing legislation	2,116,028,211	2,130,000,000	2,217,000,000
Proposed legislation			689,000,000
Interest on investments:			
Existing legislation	17,686,110	13,000,000	5,000,000
Proposed legislation			1,000,000
Total annual income	2,133,714,321	2,143,000,000	2,912,000,000
Cash outgo during year:			
Refund of taxes:			
Existing legislation	89,913,009	102,000,000	100,000,000
Proposed legislation			−7,000,000
Labor standards	208,225		
Federal-aid highways (trust fund)	1,511,394,651	2,450,533,925	3,002,000,000
Forest highways (trust fund)			37,100,000
Public lands highways (trust fund)			4,000,000
Total annual outgo	1,601,515,885	2,552,533,925	3,136,100,000
Investment in U. S. securities at end of year (par)	822,226,000	568,000,000	414,900,000
Cash:			
Highway trust fund	[1]—36,790,690	71,000,000	
Federal-aid highways (trust fund)	263,098,615		
Balance of fund at end of year	1,048,533,925	639,000,000	414,900,000

[1] Results from bookkeeping adjustment in order to reflect correct Bureau of Public Roads appropriation availability without adjusting the amount invested in U. S. securities.

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Refunds and Labor Standards

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Refund of taxes	$89,913,009	$102,000,000	$100,000,000
2. Labor standards	208,225		
Total obligations	90,121,234	102,000,000	100,000,000
Financing:			
Transfer from "Highway trust fund"	90,121,234	102,000,000	100,000,000

There is transferred an indefinite amount for payment into the general fund to cover refund of certain taxes, primarily for gasoline used for farming. During 1958 transfer was made to the Department of Labor for services rendered for administration and coordination of enforcement of labor standards pertaining to the Federal highway program.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services: Services performed by other agencies	$208,225		
13 Refunds, awards, and indemnities	89,913,009	$102,000,000	$100,000,000
Total obligations	90,121,234	102,000,000	100,000,000

Proposed for later transmission:

Highway Trust Fund

Under proposed legislation, 1960.—Current revenue from excise taxes that goes into the Highway trust fund is no longer adequate for financing the Federal-aid highway programs authorized by the 1956 and 1958 highway acts. It is estimated that there will be a deficit of $241 million in 1960 which will increase in later years. Legislation is proposed to cover this deficit by increasing the present 3-cent tax on gasoline, diesel, and special motor fuels by 1.5 cents per gallon to become effective July 1, 1959, and extend through June 30, 1964. The added revenue would provide sufficient funds to meet past obligations incurred under the highway program and permit full apportionment of the 1961 and 1962 authorizations without waiving section 209 (g) of the 1956 Highway Revenue Act. This proposal is made to maintain the self-financing features of the Highway trust fund and continue on schedule the construction of the interstate system.

	1958 actual	*1959 estimate*	*1960 estimate*
Increase in trust fund receipts:			
Excise taxes (increase of 1.5 cents per gallon on motor fuel)			$723,000,000
Interest on investments			1,000,000
Increase in balances of the fund			724,000,000

Under proposed legislation, 1960.—Revenue from the 3-cent excise tax on aviation gasoline now goes 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 revenue from the aviation gasoline tax would be retained in the general fund. If this proposal is enacted, $34 million of aviation gas tax revenue would not be transferred to the trust fund in 1960.

	1958 actual	*1959 estimate*	*1960 estimate*
Reduction in trust fund receipts: Excise taxes (transfer from general fund receipts)			$34,000,000
Reduction in balances carried forward			34,000,000

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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.

Supplemental estimates for 1959 are anticipated under Proposed for later transmission for both the Expenses and Plant and equipment appropriations to meet increased pay costs for scientists and engineers, authorized by the Civil Service Commission and effective December 29, 1957. Scientific and engineering pay costs are excluded from the program and financing statement for the current year, whereas the general pay increase is included in the schedules.

Current authorizations:

[EXPENSES] *RESEARCH AND TECHNICAL SERVICES*

For expenses necessary in performing the functions authorized by the Act of March 3, 1901, as amended (15 U. S. C. 271–278[c]*b*), 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); $11,500,000] *the Act of September 2, 1958 (72 Stat. 1711); $17,500,000, of which not to exceed $1,275,000 shall be available for payments to the "Working capital fund", National Bureau of Standards, for additional capital: 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)] *September 2, 1958 (72 Stat. 1711),* shall be equivalent to the entrance rate of GS–12. *(15 U. S. C. 271–278b; 40 U. S. C. 14a; 5 U. S. C. 596a; 72 Stat. 1711, 1712; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$11,500,000** Estimate 1960, **$17,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Physics and electronics	$3,677,290	$4,789,700	$6,447,000
2. Chemistry and metallurgy	2,187,827	2,623,500	3,482,000
3. Mechanics and engineering	1,106,413	1,404,500	1,921,000
4. Radio propagation	2,420,991	3,021,600	3,736,000
5. General services	330,949	488,700	639,000
6. Proposed payment to "Working capital fund," National Bureau of Standards			1,275,000
Total obligations	9,723,470	12,328,000	17,500,000
Financing:			
Unobligated balance no longer available	2,874		
New obligational authority	9,726,344	12,328,000	17,500,000
New obligational authority:			
Appropriation	$9,726,344	$11,500,000	$17,500,000
Proposed supplemental due to pay increases		828,000	

Research and technical services.—The increase of $5,172,000 proposed for the research and technical services of the National Bureau of Standards will permit significant expansion in selected urgent areas of research, allow reorientation of certain programs now conducted with other agency funds toward the Bureau's primary mission, and provide for augmentation of the Bureau's research equipment. The Bureau's programs of basic and applied research, instrument and materials development, testing, calibration, and general technical services are classified under six major activities:

1. *Physics and electronics.*—This activity includes the work of the optics and metrology, heat, atomic and radiation physics, electricity, radio standards, and data processing systems divisions. These divisions will lead the expanded Bureau program in high-temperature and high-pressure research. Other areas of expanded activity include research on atomic standards of length, development and improvement of electrical standards at radio frequencies, and studies of data-processing systems applications.

2. *Chemistry and metallurgy.*—This activity includes the work of the chemistry, organic and fibrous materials, metallurgy, and mineral products divisions. In addition to an expanded program to determine the properties of materials under extreme situations, a new program will be initiated to make crystals of very high purity available to National Bureau of Standards laboratories and to other interested research institutions.

3. *Mechanics and engineering.*—This activity includes the work of the mechanics, building technology, and cryogenics engineering divisions. These divisions will contribute to the Bureau's expanded high-temperature and pressure programs and also conduct an increased program of study of the properties of materials at very low temperatures.

4. *Radio propagation.*—This activity includes the work conducted by the Bureau's radio propagation laboratories at Boulder, Colo., and other supplementary field sites. The program planned for 1960 includes expanded basic research on upper atmosphere physics as well as research on radio propagation systems.

5. *General services.*—This activity includes those technical programs of the Bureau which are primarily directed to supporting other activities of the Bureau and the cost of providing free calibration services to States. Included are the applied mathematics division, the office of weights and measures, and office of basic instrumentation.

6. *Proposed payment to working capital fund, National Bureau of Standards.*—Additional equipment required in support of expanded Bureau research programs will be procured by the Working capital fund and added to the depreciable equipment inventory of that fund. Payments from the Research and technical services appropriation in amounts not to exceed $1,275,000 will be made to the Working capital fund to finance these capital outlays.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$9,723,470	$12,328,000	$17,500,000

PLANT AND [EQUIPMENT] *FACILITIES*

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); and] expenses incurred, as authorized by [section 2 of the Act of July 21, 1950

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(15 U. S. C. 286),] *the Act of September 2, 1958 (72 Stat. 1711), in the purchase and improvement of radio propagation field sites, and* in the construction or improvement of buildings, grounds, and other facilities, [$600,000] *including additions to the radio laboratory building without regard to the monetary limitation contained in that Act, $1,715,000,* to remain available until expended.

[For an additional amount for "Plant and equipment" for improvement and modification of utilities and plant facilities, as authorized by section 2 of the Act of July 21, 1950 (15 U. S. C. 286), at a cost of not to exceed $100,000 for any one improvement, $186,000, to remain available until expended.] *(15 U. S. C. 271–278b; 40 U. S. C. 14a; 5 U. S. C. 596a; 72 Stat. 1711; Department of Commerce and Related Agencies Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$786,000** Estimate 1960, **$1,715,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Facilities	$183,014	$311,556	$150,000
2. Special equipment	217,739	731,600	
3. Construction	69,467	21,000	1,215,000
4. Acquisition of field sites			350,000
Total obligations	470,220	1,064,156	1,715,000
Financing:			
Unobligated balance brought forward	−268,159	−255,156	
Unobligated balance carried forward	255,156		
New obligational authority	457,217	809,000	1,715,000
New obligational authority:			
Appropriation	$450,000	$786,000	$1,715,000
Transferred from "Grants in aid for airports, Federal Airport Act," Federal Aviation Agency (72 Stat. 243)	7,217		
Appropriation (adjusted)	457,217	786,000	1,715,000
Proposed supplemental due to pay increases		23,000	

This appropriation provides for major construction and improvements to the plant facilities of the National Bureau of Standards and procurement of major special facilities.

The National Bureau of Standards laboratories and administrative offices occupy 86 buildings located on a 69-acre tract at Connecticut Avenue and Van Ness Street, Washington, D. C. The Bureau has a large 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 construction and other work required to effect necessary improvements in the Bureau's facilities. The budget includes $100,000 for initial improvements at field sites to be purchased for the Central Radio Propagation Laboratory and $50,000 for minor construction and improvements projects needed to make existing facilities more useful for current programs.

2. *Special equipment.*—This activity includes the procurement of large and unusual items of equipment. None are proposed for 1960.

3. *Construction.*—The budget includes $1,215,000 for construction of additions to the radio laboratory building at Boulder, Colo. In accordance with the President's policy of including facilities for protection against radiological fallout in new construction, when appropriate, funds are included for construction of a fallout shelter in the laboratory addition.

4. *Field site acquisition.*—The budget would provide $350,000 for the purchase of land for field stations for the Central Radio Propagation Laboratory.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	NATIONAL BUREAU OF STANDARDS			
07	Other contractual services	$426,589	$1,060,656	$150,000
	ALLOCATION ACCOUNTS			
	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 $5,575		
01	Personal services: Permanent positions	$3,371		
02	Travel	147		
03	Transportation of things	151		
06	Printing and reproduction	483		$5,000
07	Other contractual services	3,098	$3,500	73,000
10	Lands and structures	36,170		1,487,000
11	Grants, subsidies, and contributions	211		
	Total, allocation accounts	43,631	3,500	1,565,000
	Total obligations	470,220	1,064,156	1,715,000
	Obligations are distributed as follows:			
	National Bureau of Standards	$426,589	$1,060,656	$150,000
	General Services Administration	1,000	3,500	1,565,000
	Army	42,631		

[CONSTRUCTION OF FACILITIES]

[For an additional amount for "Construction of facilities", for design, under the supervision of the General Services Administration, of laboratory and administrative buildings for the National Bureau of Standards, and for design of related equipment, $3,000,000, to remain available until expended.] *(40 U. S. C. 341; 15 U. S. C. 271–278b; 72 Stat. 1711; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$3,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design and engineering	$3,145	$2,684,795	$340,000
2. Site acquisition		308,700	
Total obligations	3,145	2,993,495	340,000
Financing:			
Unobligated balance brought forward	−336,640	−333,495	−340,000
Unobligated balance carried forward	333,495	340,000	
Appropriation (new obligational authority)		3,000,000	

Activity in 1959 includes detailed planning and preparation of architectural designs and engineering drawings for the new facilities for the National Bureau of Standards to be located on the new site at Gaithersburg, Md.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	NATIONAL BUREAU OF STANDARDS			
07	Other contractual services		$184,000	
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel	$108	1,000	$1,000
06	Printing and reproduction		10,000	90,000
07	Other contractual services	3,037	2,489,795	249,000
10	Lands and structures		308,700	
	Total, General Services Administration	3,145	2,809,495	340,000
	Total obligations	3,145	2,993,495	340,000

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NATIONAL BUREAU OF STANDARDS—Continued

Current authorizations—Continued

CONSTRUCTION OF LABORATORIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$48,121	−$50,208	
Recovery of prior year obligations	−2,087		
Unobligated balance carried forward	50,208		
Unobligated balance no longer available		50,208	
Appropriation (new obligational authority)			

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, as follows:
"Military construction, Air Force."
"Research, development, test, and evaluation, Air Force."
"Army industrial fund, Army."
"Military construction, Army."
"Research, development, test, and evaluation, Army."
"Aircraft and related procurement, Navy."
"Research, development, test, and evaluation, Navy."
"Shipbuilding and conversion, Navy."
"Establishment of air navigation facilities," Federal Aviation Agency.
"International Geophysical Year," National Science Foundation.

Intragovernmental funds:

WORKING CAPITAL FUND

The working capital fund shall be available, during the current fiscal year, for the purchase of not to exceed four passenger motor vehicles for replacement only. (15 U. S. C. 271–278b; 72 Stat. 1711, 1712; 40 U. S. C. 14a; 5 U. S. C. 596a.)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Technical program:			
Physics and electronics	$10,563,661	$12,014,000	$13,589,000
Chemistry and metallurgy	6,160,020	6,566,000	6,860,000
Mechanics and engineering	3,758,081	4,318,000	4,470,000
Radio propagation	6,911,874	6,656,000	6,895,000
General services	2,436,276	2,526,358	2,547,000
Total technical program	29,829,912	32,080,358	34,361,000
Plant improvement and special equipment:			
Plant and facilities	365,328	1,067,166	260,000
Construction of facilities		134,000	50,000
Construction of laboratories	1,160		
Total plant improvement and special equipment	366,488	1,201,166	310,000
Other operating costs:			
Equipment donated to other agencies	45,512	45,000	25,000
Materials donated to other agencies	79,697	25,000	25,000
Excess material sold	29,808	10,000	10,000
Other	21,543		
Total other operating costs	176,560	80,000	60,000
Total operating costs	30,372,960	33,361,524	34,731,000
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−2,622,799	−2,247,180	−2,412,000
Other unfunded costs included above (−)	−280,532	−45,000	−25,000
Total operating costs, funded	27,469,629	31,069,344	32,294,000
Capital outlay: [1]			
Facilities		30,686	
Equipment	3,853,961	3,230,000	3,475,000
Total capital outlay	3,853,961	3,260,686	3,475,000
Total program costs, funded	31,323,590	34,330,030	35,769,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−1,371,795		

[1] Excludes assets donated to working capital fund as follows: 1958, $1,067,965; 1959, $250,000; 1960, $1,670,000.

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Relation of costs to obligations—Con.			
Obligations incurred for costs of other years, net		$405,341	$155,000
Total program (obligations)	$29,951,795	34,735,371	35,924,000
Financing:			
Amounts becoming available:			
Proposed payment from "Research and technical services"			1,275,000
Revenue and receipts:			
Customer orders received	29,688,366	31,191,266	33,921,000
Proceeds from sale of equipment	40,674	10,000	10,000
Other receipts	12,587	10,000	10,000
Total amounts becoming available	29,741,627	31,211,266	35,216,000
Unobligated balance brought forward	8,047,631	7,713,647	4,169,750
Total amounts available	37,789,258	38,924,913	39,385,750
Capital transfer (payment of earnings to Treasury) (−)	−123,816	−19,792	
Unobligated balance carried forward	−7,713,647	−4,169,750	−3,461,750
Financing applied to program	29,951,795	34,735,371	35,924,000

This fund finances from advances and reimbursements all operations of the National Bureau of Standards except major construction projects. The principal of the fund, as of June 30, 1958, consisted of $5 million in appropriations and $36 million in net donated assets. The Government investment is estimated to grow through donation of cash and other assets financed by National Bureau of Standards' appropriations to $44.1 million by June 30, 1960.

Operating costs—Technical program.—Research and technical services are conducted by the National Bureau of Standards on the request of other Government agencies and the public, as well as in support of the Bureau's own research program. It is estimated that in 1960 a larger portion of the Bureau's total operating costs will be financed through its own appropriations than has heretofore been the case. Although the other agency program, excluding certain large costs incurred in connection with the International Geophysical Year and other special activities, is estimated to remain at approximately the same level in 1960 as in 1958, the percentage of the Bureau's total program financed through other agencies' funds will decline from 64% to 50% in the budget year.

Plant improvement and special equipment.—This activity includes the costs of the working capital fund which are reimbursed from the Bureau's capital outlay appropriations. The plant improvements and special equipment procured are donated to the fund upon completion and carried as assets of the fund at cost.

Other operating costs.—Cost is incurred when equipment and material are donated by the fund to other agencies and when excess materials are sold, based upon the book value of the equipment and materials.

Capital outlay.—Working capital of the fund is invested in facilities and equipment which are subject to depreciation charges. In 1960 the equipment requirements of the expanded Bureau research program will require an augmentation of working capital, which will be accomplished through payments to the fund for additional capital from the National Bureau of Standards' appropriation for Research and technical services.

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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	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories	$1,829,582	$2,101,960	$2,403,960	$2,468,960
Advances	39,157	58,701	55,000	55,000
Unpaid undelivered orders	4,381,675	2,717,958	2,825,000	2,915,000
Total selected resources at end of year	6,250,414	4,878,619	5,283,960	5,438,960
Selected resources at start of year		−6,250,414	−4,878,619	−5,283,960
Costs financed from obligations of other years, net (−)		−1,371,795		
Obligations incurred for costs of other years, net			405,341	155,000

Operating results.—Retained earnings for 1957, totaling $123,816, were transferred to the Treasury. Retained earnings for 1958, totaling $19,792, will be transferred to the Treasury in 1959.

Sources and Application of Funds

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$3,853,961	$3,230,000	$3,475,000
Acquisition of facilities		30,686	
Expense:			
Purchase of commodities for manufacture or sale	3,112,685	3,329,500	3,220,000
Other expense	24,489,611	28,041,844	29,139,000
Adjustment in prior year income	139,711		
Increase in selected working capital			2,091,000
Total gross expenditures	31,595,968	34,632,030	37,925,000
Receipts from operations (funds provided):			
Sales program: Revenue	30,076,090	33,281,524	34,671,000
Proposed payment from "Research and technical services"			1,275,000
Undistributed receipts:			
Proceeds from sale of equipment	40,674	10,000	10,000
Proceeds from sale of material	9,468	10,000	10,000
Other receipts	3,119		
Decrease in selected working capital	6,273,792	49,471	
Total receipts from operations	36,403,143	33,350,995	35,966,000
Budget expenditures	−4,807,175	1,281,035	1,959,000

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue:			
Bureau appropriations	$10,246,204	$13,709,090	$16,435,000
Other agencies	18,961,086	18,667,434	17,282,000
Non-Federal sources	868,800	905,000	954,000
Total revenue	30,076,090	33,281,524	34,671,000
Expense	30,014,415	33,281,524	34,671,000
Net operating income	61,675		
Nonoperating income:			
Proceeds from sale of equipment	40,674	10,000	10,000
Net book value of assets sold (−)	−40,409	−10,000	−10,000
Net gain from sale of equipment	265		
Proceeds from sale of materials	9,468	10,000	10,000
Net book value of assets sold (−)	−29,808	−10,000	−10,000
Net loss from sale of materials (−)	−20,340		
Other losses (−)	−21,808		
Net nonoperating loss (−)	−41,883		
Net income for the year	19,792		
Analysis of retained earnings:			
Retained earnings, beginning of year	123,816	19,792	
Payment of earnings to Treasury (−)	−123,816	−19,792	
Retained earnings, end of year	19,792		

Financial Condition

Assets:			
Cash with Treasury	$8,607,221	$7,306,394	$5,347,394
Accounts receivable, net	4,738,757	5,407,577	6,329,356
Advances	58,701	55,000	55,000
Commodities for sale	1,425,893	1,747,893	1,842,893
Supplies and materials	676,067	656,067	626,067

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Assets—Continued			
Land, structures, and equipment, net	$35,454,508	$36,663,014	$39,361,014
Precious stones	500,984	500,984	500,984
Investments	2,300	2,300	2,300
Total assets	51,464,431	52,339,229	54,065,008
Liabilities:			
Current	10,454,631	11,169,221	10,000,000
Government investment:			
Non-interest-bearing capital:			
Start of year	40,047,252	40,990,008	41,170,008
Payment from "Research and technical services"			1,275,000
Donated assets, net, during year	942,756	180,000	1,620,000
End of year	40,990,008	41,170,008	44,065,008
Retained earnings	19,792		
Total Government investment	41,009,800	41,170,008	44,065,008

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$3,923,862	$8,607,221	$7,306,394	$5,347,394
Obligated balance, net:				
Current liabilities	4,279,235	10,454,631	11,169,221	10,000,000
Unpaid undelivered orders	4,381,675	2,717,958	2,825,000	2,915,000
Accounts receivable, net, and cash in transit (−)	−4,856,697	−4,738,757	−5,407,577	−6,329,356
Unfilled customers' orders (−)	−7,927,982	−7,540,258	−5,450,000	−4,700,000
Total obligated balance	−4,123,769	893,574	3,136,644	1,885,644
Unobligated balance	8,047,631	7,713,647	4,169,750	3,461,750

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	3,981	4,180	4,326
	Full-time equivalent of all other positions	170	171	167
	Average number of all employees	3,064	3,249	3,370
	Number of employees at end of year	3,338	3,515	3,665
	Average GS grade and salary	8.0 $6,046	8.0 $6,620	8.0 $6,670
	Average salary of ungraded positions	$4,437	$5,073	$5,095
01	Personal services:			
	Permanent positions	$18,140,719	$20,983,200	$21,869,500
	Positions other than permanent	938,927	1,001,100	978,600
	Other personal services	521,956	562,900	671,900
	Excess of annual leave taken (−) over leave earned	−237,950		
	Total personal services	19,363,652	22,547,200	23,520,000
02	Travel	638,351	650,000	650,000
03	Transportation of things	133,108	135,000	140,000
04	Communication services	288,503	290,000	300,000
05	Rents and utility services	1,068,935	1,100,000	1,100,000
06	Printing and reproduction	206,411	250,000	290,000
07	Other contractual services	2,009,054	1,890,000	1,930,500
	Services performed by other agencies	150,692	123,000	125,000
08	Supplies and materials	2,529,203	2,477,500	2,725,000
09	Equipment:			
	Capitalized	2,953,827	2,709,000	2,850,000
	Noncapitalized	602,678	595,000	605,000
10	Lands and structures	214,171	185,000	150,000
11	Grants, subsidies, and contributions	1,121,424	1,353,000	1,365,000
13	Refunds, awards, and indemnities	28,279	8,700	
15	Taxes and assessments	19,585	21,000	23,000
	Subtotal	31,327,873	34,334,400	35,773,500
	Deduct quarters and subsistence charges	4,283	4,370	4,500
	Total costs	31,323,590	34,330,030	35,769,000
	Costs financed from obligations of other years, net (−)	−1,371,795		
	Obligations incurred for costs of other years, net		405,341	155,000
	Total obligations	29,951,795	34,735,371	35,924,000

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NATIONAL BUREAU OF STANDARDS—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities—			
1. Scientific services for—			
(a) Department of Commerce	$2,858	$2,800	$3,000
(b) General Services Administration	22		
2. Prior year advances returned	539		
Total obligations	3,419	2,800	3,000
Financing:			
Unobligated balance brought forward	17,242	14,362	11,562
Recovery of prior year obligations	539		
Unobligated balance carried forward	−14,362	−11,562	−8,562
Total financing	3,419	2,800	3,000

Object Classification

07 Other contractual services	$2,880	$2,800	$3,000
13 Refunds, awards, and indemnities	539		
Total obligations	3,419	2,800	3,000

Proposed for later transmission:

EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Physics and electronics		$118,300	
2. Chemistry and metallurgy		77,500	
3. Mechanics and engineering		34,500	
4. Radio propagation		23,400	
5. General services		8,300	
Total obligations		262,000	
Financing:			
Proposed supplemental appropriation		262,000	

Under existing legislation, 1959.—This supplemental appropriation is anticipated to provide funds for the 1959 cost of increased rates of pay for scientific and engineering positions, which were made effective December 29, 1957, by action of the Civil Service Commission.

PLANT AND EQUIPMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Special equipment (total obligations)		$12,500	
Financing:			
Proposed supplemental appropriation		12,500	

Under existing legislation, 1959.—This supplemental appropriation is anticipated to provide funds for the 1959 cost of increased rates of pay for scientific and engineering positions, which were made effective December 29, 1957, by action of the Civil Service Commission.

WEATHER BUREAU

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Weather Bureau, including maintenance and operation of aircraft; 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; [$39,318,000] *$48,855,000*: *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; P. L. 85–726 (72 Stat. 783, sec. 803), 85th Congress; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$41,158,000** Estimate 1960, **$48,855,000**

[a] Includes $1,840,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General weather services	$34,503,532	$38,457,700	$42,429,400
2. Research	2,660,800	3,445,500	4,254,900
3. Administration	1,969,185	2,104,800	2,170,700
4. 1959 program obligated in 1958	771,688	−771,688	
Total obligations	39,905,205	43,236,312	48,855,000
Financing:			
1959 appropriation available in 1958	−771,688	771,688	
Unobligated balance no longer available	81,379		
New obligational authority	39,214,896	44,008,000	48,855,000
New obligational authority:			
Appropriation	$39,214,896	$41,158,000	$48,855,000
Proposed supplemental due to pay increases		2,850,000	

The Weather Bureau observes, records, reports, forecasts, and distributes information on weather conditions and river stages for the benefit of United States commerce, industry, agriculture, and the general public. An increase of $4.8 million is proposed (*a*) to provide additional services to aviation, (*b*) to transfer civilian weather functions from the Department of Defense and (*c*) to operate and maintain new meteorological equipment.

1. *General weather services.*—Regularly scheduled forecasts are issued for United States 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. Current weather information is disseminated widely for the benefit of aviation and other interests. 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.

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2. *Research.*—Research is directed primarily toward the development of new operational and forecasting techniques directly applicable to major weather service programs, but also includes some supplemental studies of basic meteorology and meteorological physics. Intensive investigations of hurricanes will be continued using leased aircraft operated with Weather Bureau funds in place of planes heretofore furnished by the Air Force.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	4,350	4,617	4,932
Full-time equivalent of all other positions	96	88	88
Average number of all employees	4,322	4,379	4,696
Number of employees at end of year	6,461	6,746	7,061
Average GS grade and salary	7.7 $5,585	8.1 $6,278	8.2 $6,331
01 Personal services:			
Permanent positions	$24,759,859	$27,496,800	$29,740,900
Positions other than permanent	353,401	355,000	355,000
Other personal services	2,199,348	2,338,700	2,632,100
Total personal services	27,312,608	30,190,500	32,728,000
02 Travel	574,275	680,000	732,150
03 Transportation of things	824,146	891,500	956,350
04 Communication services	2,211,706	2,435,700	3,767,780
05 Rents and utility services	963,568	1,462,400	1,703,570
06 Printing and reproduction	115,613	105,000	105,000
07 Other contractual services	1,103,922	1,627,000	2,474,965
Services performed by other agencies	94,000	96,000	96,000
08 Supplies and materials	3,809,455	3,731,300	3,807,595
09 Equipment	591,005	1,003,600	545,100
10 Lands and structures	5,447	45,000	45,000
11 Grants, subsidies, and contributions	1,528,008	1,750,000	1,903,490
13 Refunds, awards, and indemnities	32,504	23,000	23,000
15 Taxes and assessments	16,112	17,000	17,000
1959 program obligated in 1958	771,688	−771,688	
Subtotal	39,954,057	43,286,312	48,905,000
Deduct quarters and subsistence charges	48,852	50,000	50,000
Total obligations	39,905,205	43,236,312	48,855,000

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; [$275,000] *$3,000,000*, to remain available until [June 30, 1961] *expended*: *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; P. L. 726 (72 Stat. 783, sec. 803), 85th Congress; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$1,575,000** Estimate 1960, **$3,000,000**

[a] Includes $1,300,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Upper-air observational facilities	$35,290	$96,200	$1,261,920
2. Weather surveillance radar	317,890	454,250	478,565
3. Surface observational facilities	379,968	218,990	613,220
4. Construction of facilities in Alaska	311,553	275,000	170,000
5. Hurricane and tornado research equipment		1,300,000	
6. Engineering and technical support	217,719	152,220	165,326
Total obligations	1,262,420	2,496,660	2,689,031
Financing:			
Unobligated balance brought forward	−2,031,780	−1,369,360	−447,700
Unobligated balance carried forward	1,369,360	447,700	758,669
Appropriation (new obligational authority)	600,000	1,575,000	3,000,000

The accuracy of weather observations, forecasts, and warnings is being improved with new instruments and by modernizing existing facilities. The estimate covers the procurement and installation of upper-air sounding equipment, radar microwave links, and cloud ceiling and visibility measuring equipment required for the Federal Airway System, and living quarters for the staff of the upper-air sounding station at Shemya, Alaska. Flood warnings will be improved through purchase of new precipitation measuring and river gaging equipment.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	29	23	23
Average number of all employees	25	16	16
Number of employees at end of year	23	14	15
Average GS grade and salary	7.7 $5,585	8.1 $6,278	8.2 $6,331
01 Personal services:			
Permanent positions	$166,764	$114,000	$120,289
Other personal services	13,007	8,100	13,702
Total personal services	179,771	122,100	133,991
02 Travel	23,480	20,850	20,950
03 Transportation of things	14,988	109,190	50,835
04 Communication services	186		375
05 Rents and utility services	4,151		
07 Other contractual services	51,831	1,877,650	328,065
08 Supplies and materials	165,621	47,000	59,325
09 Equipment	493,315	312,000	1,839,285
10 Lands and structures	318,313		247,420
11 Grants, subsidies, and contributions	10,678	7,780	8,705
15 Taxes and assessments	86	90	80
Total obligations	1,262,420	2,496,660	2,689,031

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, Office of Civil and Defense Mobilization."

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Observations and forecasts:			
Atomic Energy Commission	$285,609	$389,100	$350,000
Department of Agriculture		28,890	
Department of Defense	1,593,797	1,880,515	1,800,000
Department of Health, Education, and Welfare	166,357	193,600	190,000
Department of the Interior	58,976	35,238	35,000
Federal Aviation Agency		57,850	55,000
National Science Foundation	629,894	565,250	360,000
Office of Civil and Defense Mobilization		300,000	300,000
Other agencies	46,847	43,400	40,000
Total, observations and forecasts	2,781,480	3,493,843	3,130,000
2. Meteorological studies and statistics:			
Atomic Energy Commission	232,316	283,040	260,000
Department of Agriculture	108,234	89,300	100,000
Department of Commerce	90,930		
Department of Defense	1,679,692	2,268,600	2,000,000
National Science Foundation	81,433	71,740	70,000
Other agencies	44,674	38,149	40,000
Total, meteorological studies and statistics	2,237,279	2,750,829	2,470,000
3. Miscellaneous services to other Federal and non-Federal accounts:			
Department of Commerce	154,881		
Department of Defense	47,681	98,757	60,000
Department of Health, Education, and Welfare	140,334		
Department of the Interior	77,842		
Federal Aviation Agency		68,776	65,000
General Services Administration	62,472		
International Cooperation Administration	108,379	35,868	50,000
National Science Foundation	109,703	123,900	100,000
Other agencies	21,887	31,027	25,000
Total miscellaneous services	723,179	358,328	300,000
Total obligations	5,741,938	6,603,000	5,900,000
Financing:			
Unobligated balance brought forward	25,214	16,575	
Advances and reimbursements from—			
Other accounts	5,714,732	6,562,945	5,876,000
Non-Federal sources	20,014	23,480	24,000
Unobligated balance no longer available	−1,447		
Unobligated balance carried forward	−16,575		
Total financing	5,741,938	6,603,000	5,900,000

Note.—Reimbursement from non-Federal sources are derived from the following: Proceeds from the sale of personal property (40 U. S. C. 481 (c)) and from the Government of Cuba and the International Civil Aviation Organization (49 U. S. C. 1154).

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WEATHER BUREAU—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

The Weather Bureau gathers river and rainfall observations, conducts climatological studies and studies of distribution of radiological fallout and atmospheric pollution, and procures technical equipment for other agencies. Contributions are also made by the military services toward the cost of the joint numerical weather prediction program and for other computer services.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	670	694	670
Full-time equivalent of all other positions	23	28	28
Average number of all employees	610	658	628
Number of employees at end of year	2,220	2,349	2,349
Average GS grade and salary	7.7 $5,585	8.1 $6,278	8.2 $6,331
01 Personal services:			
Permanent positions	$2,951,750	$3,421,840	$3,301,000
Positions other than permanent	83,588	114,000	114,000
Other personal services	269,945	333,160	346,000
Total personal services	3,305,283	3,869,000	3,761,000
02 Travel	220,814	290,000	200,000
03 Transportation of things	52,502	95,000	60,000
04 Communication services	54,040	83,000	58,000
05 Rents and utility services	635,437	932,000	780,000
06 Printing and reproduction	89,410	81,000	10,000
07 Other contractual services	336,454	107,000	85,000
08 Supplies and materials	621,613	674,000	513,000
09 Equipment	247,569	244,000	215,000
11 Grants, subsidies, and contributions	172,486	222,000	215,000
15 Taxes and assessments	6,330	6,000	3,000
Total obligations	5,741,938	6,603,000	5,900,000

AREA ASSISTANCE ACTIVITIES

Proposed for later transmission:

AREA ASSISTANCE ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Area assistance (obligations)			$16,000,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance carried forward			$39,000,000
Proposed supplemental appropriation			55,000,000

Under proposed legislation, 1960.—Legislation will be proposed to authorize broader assistance to areas of substantial and persistent unemployment, including loans and grants, for the purpose of promoting economic redevelopment in such areas. An appropriation of $55 million is anticipated for the program of which $50 million is to provide capital for a revolving fund.

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, 1959.*)

GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not heretofore authorized by the Congress.

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, 1959.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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							$5,000	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							6,500	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.; the staff at census operations field offices for local transportation of mail, supplies, and official meetings.
COAST AND GEODETIC SURVEY								
Salaries and expenses							6,000	For use of district offices in inspecting field facilities chart distributor, etc.
MARITIME ACTIVITIES								
Salaries and expenses						8	12,624	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						4		Field personnel, primarily inspectors, marine and inventory surveyors, and operating personnel at 2 warehouses and 2 reserve shipyards; for transportation to inspections and surveys.
Maritime training						1		Superintendent, Merchant Marine Academy, Kings Point, N. Y., and other maritime 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						20	12,624	
BUREAU OF PUBLIC ROADS								
Highway program	30	$45,000	30	$4,550	$40,450	210	218,000	Field engineers: For inspecting Federal-aid and other highway projects in 49 States, the District of Columbia, Puerto Rico, and Central American Republics. 1 automobile is used by headquarters staff for official meetings in the Washington area.
NATIONAL BUREAU OF STANDARDS								
Working capital fund							200	Field personnel for the transportation of staff, mail, instruments, and classified material.
Station wagon	4	7,800	4	1,400	6,400	3	3,000	Do.
Total, National Bureau of Standards.	4	7,800	4	1,400	6,400	3	3,200	
WEATHER BUREAU								
Salaries and expenses							8,995	Chief and assistant chief 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 inspections and surveys.
Station wagon						3	2,727	Regional administrative officer and staff, forecasters and field aids; for transportation to and from field stations for inspections and surveys.
Total, Weather Bureau						3	11,722	
Total, Department of Commerce.	34	52,800	34	5,950	46,850	236	263,046	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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)				
WEATHER BUREAU								
Salaries and expenses						1	$20,000	Chief, deputy chief, and assistant chiefs of Bureau, members of chief's staff: For inspection and survey of field installations and operations.

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DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

The 1960 budget for the military functions of the Department of Defense is presented in a new form which will permit consideration of the budget on a more uniform basis. The Defense budget is now organized under six main titles. The first five cover the major areas of the defense program:

Military personnel, which includes pay and allowances and other costs of both active duty and reserve forces personnel, and retired pay;

Operation and maintenance, which includes both the active and reserve forces, and establishment-wide activities;

Procurement for both the active and reserve forces;

Research, development, test, and evaluation costs;

Military construction for both the active and reserve forces.

The sixth title covers the revolving and management funds of the Department of Defense.

Total defense expenditures in 1960 are estimated at $40,945 million, an increase of $145 million over the amount estimated for 1959 and almost $2 billion greater than the amount spent in 1958. New obligational authority for 1960 is $40,850 million—$288 million less than 1959 but $4.1 billion more than 1958.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In millions]

Description	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Title of appropriation groups:						
Military personnel—total [1]	$10,982	$11,475	$11,625	$11,618	$11,908	$11,934
Active forces [1]	9,808	10,185	10,302	10,448	10,636	10,617
Reserve forces	606	645	608	608	627	602
Retired pay	567	645	715	562	645	715
Operation and maintenance	10,237	10,306	10,512	9,890	10,391	10,385
Procurement—total [2]	11,054	14,524	13,348	14,825	14,183	13,938
Aircraft	5,682	5,955	6,197	8,412	6,963	6,265
Missiles	2,414	4,154	3,548	2,677	3,332	3,825
Ships	1,781	1,978	1,342	1,457	1,677	1,659
Other	1,176	2,437	2,261	2,278	2,211	2,189
Research, development, test, and evaluation [2 3]	2,258	3,464	3,772	2,034	3,020	3,384
Construction—total	2,086	1,369	1,563	1,755	2,021	1,708
Active forces	2,004	1,342	1,502	1,657	1,933	1,644
Reserve forces	82	27	61	98	88	64
Revolving and management funds	130	----	30	−1,061	−724	−405
Total, Department of Defense	36,747	41,138	40,850	39,062	40,800	40,945

[1] Additional obligational authority available by transfer: 1958, $582 million; 1959, $535 million; 1960, $340 million.

[2] Figures shown for 1958 and 1959 under the new titles "Procurement" and "Research, development, test, and evaluation" are estimates and are not completely comparable to the estimates shown for 1960. The "Research, development, test, and evaluation" appropriations for 1960 contain certain items and programs that were funded in other appropriations in prior years. In adjusting 1958 and 1959 data to a basis comparable with the proposed 1960 appropriation structure, the adjustments were limited to the items and projects that were shifted in 1960. It was not feasible to effect complete comparability by adjustment for items and projects that would have been shifted to "Research, development, test, and evaluation" appropriations if the concept proposed for 1960 had been introduced in 1958 and 1959.

[3] Additional obligated authority available by transfer: 1958, $8 million.

Military personnel.—Total military personnel expenditures in 1960 are estimated at $11,934 million, $26 million higher than in 1959 and $316 million more than 1958.

Active duty personnel: Expenditures for active forces military personnel in 1960 are estimated at $10,617 million, slightly less than 1959 but about $169 million more than in 1958. The 1960 programs provide for a total strength of 2,520,000 on June 30, 1960—5,000 below the June 30, 1959 level.

ACTIVE FORCES MILITARY PERSONNEL

[In thousands]

	June 30, 1958	*June 30, 1959*	*June 30, 1960*
Total, Department of Defense	2,600	2,525	2,520
Army	898	870	870
Navy	641	630	630
Marine Corps	189	175	175
Air Force	871	850	845

Average man-years in 1960 are estimated at 2,523,000 compared with an average of 2,571,000 in 1959 and 2,673,000 in 1958. The rise in expenditures over this period despite the decline in man-years reflects an increase in the estimated average cost per military man from $3,885 in 1958 to $4,150 in 1959 and $4,220 in 1960. The increase of $265 per man in 1959 reflects, for the most part, the effect of the military pay raise which became effective in June 1958. The increase of about $70 per man in 1960 is caused chiefly by (1) required increases in the Government's social security contributions as employer, (2) additional longevity pay reflecting the continued maturing of the forces, and (3) the proficiency pay provisions of the new military pay law. Proficiency pay in 1959 and 1960 will continue to be concentrated in the critical technician and combat leadership groups.

Reserve forces: Reserve personnel expenditures in 1960 are estimated at $602 million, $25 million lower than in 1959 and $6 million less than in 1958. The 1960 budget will provide for about 1,030,000 reservists on paid status at year end compared with 1,082,000 at the end of 1959 and 1,025,000 at the end of 1958.

RESERVE FORCES MILITARY PERSONNEL IN PAID STATUS

[In thousands]

	June 30, 1958	*June 30, 1959*	*June 30, 1960*
Army Reserve	322	353	330
Drill pay status	273	300	261
6-month enlisted trainees	18	2	9
Other paid status	31	51	60
Navy Reserve	139	145	145
Drill pay status	130	135	135
6-month enlisted trainees	(1)	(1)	(1)
Other paid status	9	10	10
Marine Corps Reserve	48	46	48
Drill pay status	43	42	43
6-month enlisted trainees	3	3	3
Other paid status	2	2	2
Air Force Reserve	52	64	72
Drill pay status	48	53	61
6-month enlisted trainees	2	2	2
Other paid status	2	9	9
Army National Guard	394	400	360
Air National Guard	70	73	75
Total	1,025	1,082	1,030

[1] Less than 500.

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The reduction from June 30, 1959, to June 30, 1960, is chiefly in the Army Reserve and Army National Guard. The reduction of about 23,000 in the Army Reserve and 40,000 in the Army National Guard is offset in part by an increase of 8,000 in the Air Force Reserve and 2,000 in the Air National Guard.

Major emphasis in 1960 will continue to be given to improving the training and combat readiness of the reserve components. The 6-month Ready Reserve training plan has raised the proportion of basically trained reservists in the Army Reserve and Army National Guard units from 70% in June 1956 to almost 100% at present, enabling most of the reserve units to advance to unit training schedules. This concentration on unit, rather than individual, training has been designed to enhance the future mobilization readiness of these components. In addition, the Army Reserve and Army National Guard are being reorganized along pentomic lines similar to the reorganization completed in the active Army last year.

The Army National Guard in 1960 will man an increased number of on-site NIKE battalions for the air defense of the United States. An effective program of shipboard training for the Naval Reserve under the Selected Reserve Training System will place crews on more than 28 destroyers or destroyer escorts by the end of 1959. A total of 48 ships are planned for this program by the end of 1960. The aircraft inventory of the Air National Guard, already 90% jet, will be further modernized during 1960 through the introduction of more modern jet aircraft. The equipping and readiness of the other reserve components will also be improved in 1960.

Retired pay: Expenditures for retired pay in 1960 are estimated at $715 million, $70 million more than 1959 and $153 million more than in 1958. A total of about 257,000 persons will be receiving retired pay at the end of 1960 compared with 233,000 at the end of 1959 and 215,000 at the end of 1958. The upward trend in both numbers of retired persons and their cost is expected to continue and even accelerate in future years.

Operation and maintenance.—Operation and maintenance funds support the day-to-day operations of the Department of Defense, including those of the Office of the Secretary, the unified and specified combatant commands, and the three military departments. Expenditures for operation and maintenance of the active and reserve forces in 1960 are estimated at $10,385 million, approximately the same as 1959 but about $495 million more than 1958. The average man-years of military and civilian personnel, the numbers of active aircraft and active ships, and flying hours are estimated to decline from 1958 to 1959 and into 1960. Fleet steaming hours will also be less in 1960 than in 1958, although slightly more than in 1959.

Running counter to these trends in the levels of activity are the higher unit costs involved in operating and maintaining the increasingly complex weapons and equipment entering the military inventories. The cost per flying hour, the cost per overhaul for both aircraft and ships and the average cost per civilian employee in operation and maintenance work all continue to increase steadily from 1958 through 1960, thereby offsetting the savings achieved by tighter operating schedules, better managed maintenance support, and smaller inventories.

The number of hospitals operated, and the patient loads in hospitals are down very slightly from 1958 to 1960, but higher unit costs plus the increasing cost of the dependent medical care program result in higher total costs for the medical program as a whole.

While the training load carried by the four services is expected to drop from 1959 to 1960, it is greater than in 1958 because of the continued increase in the proportion of higher technical skills required.

The generally higher tempo of operations required of the fleet in recent years has greatly increased the wear and tear on ships and their equipment. Accordingly, special provision has been made in this budget for a higher level of overhaul and alteration of naval ships in order to improve the condition and readiness of the fleet.

Other elements of the operation and maintenance program which show a continued increase in activity and expenditures are the operation of additional sectors of the semi-automatic ground environment system (SAGE), a vital element in the continental air defense network, and the maintenance of family housing.

For the past 5 years, the Department of Defense has pursued a vigorous and successful program to provide adequate housing and related facilities for our military personnel and their families, both within the continental United States and overseas. By the end of 1960 approximately 370,000 Government owned or controlled housing units will be available for occupancy and another 50,000 units are expected to be under construction. Of the 370,000 available units, an average of 317,000 will be operated and maintained by the Department of Defense, compared with 239,000 units during 1958—an increase of over 30% in 2 years.

Procurement.—Because of certain technical problems involved in rearranging the Defense budget under the new titles, the figures shown in the first table on the previous page for Procurement and for Research, development, test, and evaluation for the 3 years 1958–60 are not comparable. A more accurate picture of the trend over these 3 years may be obtained by considering Procurement and Research, development, test, and evaluation on a combined basis. Expenditures for both titles combined are estimated at about $17.3 billion in 1960—$119 million more than in 1959 and $463 million more than in 1958.

The 1960 budget provides funds for the procurement of 1,610 aircraft—703 for the Air Force, 668 for the Navy, and 239 for the Army. This total is about 150 less than in 1959 with almost all the difference in the procurement of support-type aircraft. Procurement of B–52 and B–58 strategic jet bombers and KC–135 jet tankers will actually be considerably higher in 1960 than in 1959, but no interceptors and fewer fighter-bombers will be purchased for the Air Force, reflecting the increased reliance on missiles. The Navy will buy a considerably greater number of fighters in 1960 but a somewhat smaller number of attack aircraft. The Army will buy more high performance turbo-prop observation aircraft in 1960 and fewer helicopters than in 1959.

The 1960 budget also provides increased funds for the development of the B–70—a new high altitude, supersonic intercontinental jet bomber and for a new high-speed, long-range interceptor system utilizing the F108. Both of these aircraft are expected to fly at speeds up to

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three times the speed of sound and to possess greatly increased capabilities.

As part of the growing emphasis on missiles, the 1960 budget continues support of the accelerated programs on ATLAS and POLARIS. On an overall basis it also provides for a 50% increase in funds on the TITAN ICBM and a 40% increase in funds on the MINUTEMAN ICBM. Additional funds are also provided for the THOR and JUPITER IRBM's to complete the presently planned programs for these two systems and for missile systems which will protect the United States and its allies against enemy attack by manned aircraft—BOMARC, NIKE-HERCULES, HAWK.

Missile development has reached the stage where the number of competing missile systems can be reduced. Production of the liquid propellent ballistic missile REDSTONE is to be phased out and an expanded program for the solid propellent PERSHING will be substituted. Similarly, production of the ship-based aerodynamic REGULUS II missile is being terminated as emphasis shifts to the development of the submarine-based ballistic missile POLARIS.

The 1960 shipbuilding program provides for 18 new ships and 13 conversions. The new construction program includes one attack carrier of the *Forrestal* class (conventionally powered), 6 guided missile destroyers and frigates, 3 nuclear-powered attack submarines, and 8 other vessels. The conversions include another guided missile cruiser, 8 destroyers, and 4 other vessels.

Funds for the 8 destroyer conversions represent the beginning of a new modernization program designed to improve the antisubmarine warfare (ASW) capability and extend the useful life of World War II destroyers by about 8 years.

In addition, 3 more POLARIS submarines (numbers 7–9), for which funds were appropriated in 1959, will be started in 1960. The first 3 submarines (numbers 1–3) in this program were started in 1958 and the next 3 (numbers 4–6) are being started during 1959. The 1960 budget also provides funds for the procurement of long lead-time items for the construction of additional ballistic missile submarines to be started in 1961. This orderly program of submarine construction will proceed concurrently with missile flight testing.

The intermediate-range solid propellent missile POLARIS, coupled with the nuclear-powered submarine, affords a deterrent capability comparable to that of intercontinental ballistic missiles. The navigation and communications equipment for these submarines is being specially designed for operational flexibility and for maximum use of their dispersal advantages.

The 1960 budget provides for a substantial increase in electronics and communications equipment programs. Much of the increase will go into the air defense system for equipment to detect enemy aircraft and missiles and to guide air defense weapons to their targets. The accelerated rate of procurement for the ballistic missile early warning system (BMEWS) will continue in 1960. The air defense systems SAGE and BMEWS, alone, will take one-third of the 1960 electronics and communications procurement funds.

Funds are provided for the procurement of weapons, ammunition, engineer equipment and training equipment for the Army and Marine Corps ground forces. Procurement of tanks and trucks will be increased as part of the Army's modernization program. Also scheduled for procurement in 1960 are new-type rifles and machineguns and other new weapons which will enhance the combat power of the individual soldier.

Research, development, test, and evaluation.—Expenditures for basic and applied research and for the development, test, and evaluation of new weapons and equipment are estimated at $3,384 million in 1960 and will sustain the high level of effort achieved in 1959. Funds are included under this title for the support of weapons system developments related to specific items for which production and development support funds are also included under the Procurement title of the Defense budget; for example, the POLARIS, MINUTEMAN, TITAN, and B–70. For certain other major systems, such as NIKE-ZEUS, PERSHING, and DYNASOAR, the full amounts for development, test, and evaluation are included in this title.

As in 1959 the largest amount will go for research, development, and test of missiles and related equipment. The accelerated efforts to develop an effective antiballistic missile system—the NIKE-ZEUS—will be continued in 1960. Continued attention will be given to ordnance, combat vehicles, and related equipment needed to improve the so-called conventional capabilities of the Armed Forces—their mobility, firepower, and communications. Together with the effort being supported by the new National Aeronautics and Space Administration the overall program planned for astronautics in 1960 will be significantly larger than in 1959.

Antisubmarine warfare will continue to receive special emphasis during 1960. Funds are provided for the development of improved equipment and techniques for the long range detection and tracking of submarines and for perfecting antisubmarine guided missiles and other weapons, such as a drone helicopter. Work will also continue on the development of nuclear propulsion for military aircraft. This project is financed jointly by the Department of Defense and the Atomic Energy Commission.

In the area assigned to the Advanced Research Projects Agency, funds are included for research on missile very early warning systems, ballistic missile defense and solid fuel chemistry, as well as for projects in military astronautics related to the use of military satellites for reconnaissance, navigation, and communication purposes.

Included also is $150 million for the Department of Defense Emergency Fund—the same amount as in 1959—to provide for the exploitation of breakthroughs or unanticipated developments which may occur during the coming year.

Military construction.—Expenditures for military construction in 1960 are estimated at $1.7 billion—approximately $300 million less than in 1959, and $50 million less than 1958.

Active forces: Expenditures for facilities for the active forces are estimated at $1,644 million. The 1960 program includes funds to complete the construction of presently programed NIKE-HERCULES sites for the

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protection of SAC bases, and for the completion of the operational facilities for the Missile Master control centers. Funds are also included for the construction of additional BOMARC sites and for overseas facilities for the employment of the HAWK low altitude ground-to-air missile. Additional funds are provided to continue the construction of the ballistic missile early warning system and for the improvement of the existing radar warning systems.

The 1960 budget includes funds for the construction of additional ATLAS and TITAN operational sites and for logistics facilities in support of the POLARIS program. Another increment is provided to accelerate construction of the Pacific Missile Range and for the further extension of the LORAN program. Provision is also made for the modernization and repair of the existing physical plant of the defense establishment.

Reserve components: Expenditures for facilities for the reserve forces are estimated at $64 million in 1960 compared with $88 million in 1959 and $98 million in 1958. The decline in expenditures for this purpose reflects the substantial completion of this facility construction program.

Revolving and management funds.—The $30 million of reappropriation shown under this title for 1960 is the amount to be added to the revolving fund for Wherry housing. Because of the large number of Wherry housing units being taken over by the Department of Defense for rehabilitation to acceptable standards, expenditures from this fund are exceeding receipts. The $30 million of additional authority will permit this program to go forward in 1960.

As in recent years an excess of receipts over expenditures is estimated in 1960 in the revolving and management funds of the Department of Defense. This excess of receipts serves to reduce the total of expenditures for the Department below the sum of the expenditures estimated under other budget titles. The estimate for 1960 is $405 million, reducing total net expenditures for the year to $40,945 million.

Composition of Armed Forces.—The 1960 budget for the military functions of the Department of Defense provides for military forces of about the same composition and level planned for the end of the current fiscal year.

DEPARTMENT OF DEFENSE—SUMMARY OF MAJOR FORCES

[Fiscal years 1958–60]

	Actual	*Planned*	
	June 30, 1958	*June 30, 1959*	*June 30, 1960*
Department of the Army:			
Divisions	15	14	14
Armored cavalry regiments	5	5	5
Armored combat commands	1	1	1
Brigades (infantry)	2	2	2
Battle groups (infantry)	6	8	8
Field artillery missile groups (heavy)	2	3	3
Army missile commands	4	4	4
Air defense antiaircraft battalions	(87)	(82)	(80¼)
Guided missile battalions	65	71	73¼
Other	22	11	7
Active aircraft inventory	(5,027)	(5,289)	(5,363)
Helicopters	2,193	2,467	2,558
Fixed-wing	2,834	2,822	2,805
Department of the Navy:			
Active ships	(891)	(864)	(864)
Warships	396	387	389
Other	495	477	475
Carrier air groups	17	16	16
Carrier antisubmarine squadrons	22	22	22
Patrol and warning squadrons	39	39	42

DEPARTMENT OF DEFENSE—SUMMARY OF MAJOR FORCES—Con.

	Actual	*Planned*	
	June 30, 1958	*June 30, 1959*	*June 30, 1960*
Department of the Navy—Continued			
Marine divisions	3	3	3
Marine air wings	3	3	3
Active aircraft inventory	10,533	9,300	9,200
Jet aircraft as percent of active aircraft inventory	42	44	47
Department of the Air Force:			
USAF combat wings (including missile wings)	(117)	(105)	(102)
Strategic	44	43	43
Air defense	28	27	25
Tactical (including airlift)	45	35	34
USAF combat support forces:			
Air refueling squadrons	48	59	63
MATS squadrons	27	27	24
Other specialized squadrons	62	59	59
Active aircraft inventory	22,578	20,358	19,982
Jet aircraft as percent of active aircraft inventory	62	65	65

Army.—The Army will continue to support 14 divisions and 23 other major units including 4 missile commands, 8 battle groups, and 3 field artillery missile groups (heavy) at the end of 1960—the same force planned for the end of the current fiscal year. Compared with June 30, 1958, this represents a reduction of 1 division, but an increase of 2 in the number of battle groups and an increase of 1 in the number of heavy field artillery missile groups. There has also been a small increase in the number of separately organized combat battalions. The net increase in this case results from the activation of additional tactical surface-to-surface missile units.

Although the total number of air defense battalions decreases slightly from 1959 to 1960, the number of guided missile battalions will continue to increase as gun battalions phase out of the forces and are replaced by the much more effective surface-to-air missile units. This increased effectiveness will be considerably enhanced by the continued conversion from NIKE-AJAX to NIKE-HERCULES missiles which are not only greatly superior in range and altitude, but are also capable of being armed with a nuclear warhead. In addition, there will be an increase in the number of battalions armed with the HAWK guided missile for defense against low-flying aircraft.

The Army's active aircraft inventory will continue to grow and will be nearly 7% higher than June 30, 1958.

Navy and Marine Corps.—The Navy will continue to operate 864 active ships during 1960, the same number planned for the end of the current fiscal year.

Of the 864 active ships, 389 will be warships, an increase of 2 over June 30, 1959. There will be a very marked increase in the combat effectiveness of the fleet as modern vessels from new construction and conversion replace older ones. By June 30, 1960, 5 *Forrestal* class attack carriers will have replaced *Essex* class carriers and 3 more will be under construction, including the first nuclear-powered carrier. Similarly, 8 cruisers will have been converted to guided missiles armament. Five more will be under construction or conversion including the first nuclear-powered cruiser. Five guided missile destroyers and frigates will be in commission with a large number still under construction, including the first nuclear-powered frigate. There will also be significant additions to the nuclear-powered attack submarine force and the first POLARIS-firing fleet ballistic missile submarines are planned to be in commission during calendar year 1960.

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The Navy's antisubmarine warfare capabilities are receiving particular attention and the budget provides for appreciable improvements. The fleet rehabilitation and modernization program described earlier is aimed almost entirely at improving the condition and strengthening the capabilities of antisubmarine warfare vessels. These modernized ships, which will begin to rejoin the fleet by the end of 1960, will have significantly better sonars, and will carry ASW helicopters and new ASW weapons. In conjunction with this program, production quantities of much improved antisubmarine torpedoes will be available to the fleet by June 30, 1960.

As another part of the multi-pronged attack on the ASW problem, over 600 antisubmarine warfare aircraft will have been modified to enhance greatly their detection capability. Finally, during 1960, two additional special ASW task forces will be operational in performing functions similar to that of the highly successful Task Force ALPHA.

The number of carrier air groups and carrier antisubmarine squadrons will remain the same, but the number of patrol and warning squadrons will rise by three. There will be a very slight decline in the Navy's active aircraft inventory due to reductions in training, support, and Naval Reserve aircraft. The Navy's inventory will continue to show a rising percentage of jet-powered aircraft.

The Marine Corps will continue to support 3 divisions and 3 air wings in their traditional state of high combat readiness. Parallel with the Army, the Marine Corps will also activate additional battalions equipped with the HAWK guided missile for the protection of its forces in the field against low-level air attack.

Air Force.—There will be a modest reduction in the number of wings in the Air Force, from 105 at the end of the current fiscal year to 102 at the end of 1960. The reduction of 2 wings in the air defense force will be offset by the further modernization of the inventory with all-weather "Century" series aircraft, an increase in both the number and effectiveness of air-to-air missiles, and the acquisition of a considerable operational capability with the BOMARC ground-to-air missile. This weapon is capable of attacking enemy bombers at supersonic speeds, at considerable distances from the launching site. Controlled in the air battle situation by the semi-automatic ground environment system (SAGE), BOMARC adds a new dimension to the continental air defense system.

The number of wings in the tactical forces will be reduced by 1, but the strategic forces will remain at 43 wings, unchanged from the end of the current fiscal year. The SAC bomber force will continue to be strengthened during the year by further deliveries of B–52 intercontinental bombers and KC–135 jet tankers. By the end of the current fiscal year all of the 11 heavy bomber wings will have been converted from 30 B–36's to 45 B–52's per wing. In addition, by the end of 1960 a portion of a twelfth wing will be operational. The bomber force will also be strengthened by the first B–58 supersonic bombers in operational service. The introduction of the HOUND DOG air-to-surface missile to the B–52 force will improve its ability to penetrate enemy defenses.

Of great significance to our deterrent capability is the ATLAS ICBM, which will become operational during the current fiscal year. In addition, a considerable number of THOR and JUPITER IRBM units will have been deployed overseas for use by our allies.

The number of MATS squadrons will decline somewhat in 1960. However, the overall ton-mile airlift capacity of the Air Force will continue to increase as the new high load, high performance transports are delivered.

Overall, there will be a small reduction in the active aircraft inventory of the Air Force. The percent of jet aircraft in the inventory is not expected to increase since the bomber and air defense force will be entirely jet equipped by the end of the current fiscal year.

In summary, the 1960 budget provides for the Department of Defense as follows:

New obligational authority.—$40,850 million, and in addition $340 million to be derived by transfers from the revolving funds of the Department of Defense. For the Department of the Army there is provided $9,357 million and $200 million to be transferred from the Army stock fund. For the Department of the Navy there is provided $11,370 million and $90 million to be transferred from the Navy and Marine Corps stock funds. For the Air Force there is provided $18,682 million and $50 million to be transferred from the Air Force stock fund. $1,441 million of new obligational authority is provided for the Office of the Secretary of Defense, including the Advanced Research Projects Agency.

Direct obligations.—The gross direct obligational program for 1960 contemplates utilization of $697 million of the funds provided by the Congress in fiscal year 1959 in excess of the budget request and $275 million in projected recoveries of prior obligations in addition to the new obligational authority being requested for 1960.

[In millions]

	1958	*1959*	*1960*
Department of the Army	$9,725	$9,719	$9,907
Department of the Navy	11,511	12,510	12,081
Department of the Air Force	19,150	19,896	19,308
Office of the Secretary of Defense	656	1,310	1,411
Total	41,042	43,435	42,707

Net expenditures.—$40,945 million: Army, $9,264 million; Navy, $11,596 million; Air Force, $18,675 million; and Office of the Secretary of Defense, $1,410 million.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In millions]

Organizational component	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Department of the Army	$7,731	$9,343	$9,357	$9,051	$9,165	$9,264
Department of the Navy	10,506	11,798	11,370	10,906	11,472	11,596
Department of the Air Force	17,732	18,717	18,682	18,435	18,993	18,675
Office of Secretary of Defense	777	1,279	1,441	669	1,170	1,410
061 Total, Department of Defense	36,747	41,138	40,850	39,062	40,800	40,945

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

[In thousands]

Category of appropriation and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
MILITARY PERSONNEL												
Current authorizations:												
Military personnel, Army	061	$3,089,300	$3,175,961		$3,314,063	$3,548,130	$3,519,000		$3,519,000	$3,506,000		$3,506,000
Military personnel, Navy		2,294,270	2,385,720		2,476,700	2,463,138	2,506,000		2,506,000	2,544,265		2,544,265
Military personnel, Marine Corps		609,449	635,692		596,900	620,036	626,000		626,000	607,000		607,000
Military personnel, Air Force		3,815,325	3,923,073		3,914,000	3,817,093	3,922,000		3,922,000	3,958,200		3,958,200
Reserve personnel, Army		198,000	222,759		202,000	212,792	210,000		210,000	200,000		200,000
Reappropriation		10,000										
Reserve personnel, Navy		83,268	90,098		88,000	83,159	88,800		88,800	88,000		88,000
Reserve personnel, Marine Corps		22,609	23,760		24,300	23,040	23,400		23,400	24,000		24,000
Reserve personnel, Air Force		47,798	53,746		54,000	47,297	49,000		49,000	53,000		53,000
National Guard personnel, Army		334,800	342,093		191,961	332,233	340,000		340,000	191,000		191,000
National Guard personnel, Air Force		258,397	249,935	$2,162	48,000	249,943	250,000	$2,000	252,000	46,100		46,100
Retired pay, Department of Defense		567,000	640,000		715,000	561,782	640,100		640,100	714,900		714,900
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Military personnel, Navy				36,735				36,000	36,000		$735	735
Military personnel, Air Force				27,828				27,000	27,000		800	800
Retired pay, Department of Defense				5,000				4,900	4,900		100	100
Adjustment to reflect comparability with proposed 1960 appropriation structure		−348,443	−337,279	−2,162		−340,172	−334,173	−2,000	−336,173			
Total, military personnel		10,981,773	11,405,558	69,563	11,624,924	11,618,471	11,840,127	67,900	11,908,027	11,932,465	1,635	11,934,100
OPERATION AND MAINTENANCE												
Current authorizations:												
Operation and maintenance, Army		3,182,020	3,073,895	17,400	3,053,785	3,074,892	3,064,500	16,500	3,081,000	3,061,100	900	3,062,000
Operation and maintenance, Navy					2,803,192					2,257,900		2,257,900
Operation and maintenance, Air Force		4,013,498	4,056,597	69,000	4,256,800	3,783,176	4,147,000	67,000	4,214,000	4,171,500	2,000	4,173,500
Operation and maintenance, Army National Guard					146,000					143,000		143,000
Operation and maintenance, Air National Guard					169,000					174,938	162	175,100
National Board for the Promotion of Rifle Practice, Army		254	300		300	228	320		320	300		300
Operation and maintenance, Alaska Communication System, Army		5,586	5,500	176	5,676	5,317	5,433	167	5,600	5,691	9	5,700
Salaries and expenses, Secretary of Defense		16,670	18,016	1,050	20,500	14,857	18,186	1,000	19,186	20,190	50	20,240
Claims, Department of Defense		11,400	16,520		16,500	11,241	16,400		16,400	16,400		16,400
Contingencies, Department of Defense		26	30,000		30,000	7,575	28,000		28,000	27,000		27,000
Operation and maintenance, Olympic winter games, Department of Defense					400					400		400
Salaries and expenses, Court of Military Appeals, Department of Defense		387	380	28	425	368	379	26	405	424	2	426
Aircraft and facilities, Navy		845,845	837,868	6,249		849,040	859,000	6,000	865,000	181,300	249	181,549
Civil engineering, Navy		131,769	125,554	3,352		119,688	128,700	3,200	131,900	27,413	152	27,565
Marine Corps troops and facilities		173,408	173,087			168,425	170,000		170,000	32,100		32,100
Medical care, Navy		85,857	89,598	214		86,118	92,396	204	92,600	6,793	10	6,803
Naval petroleum reserves		825	1,683			1,664	1,580		1,580	415		415
Navy personnel, general expenses		85,246	85,442	2,630		85,095	84,800	2,500	87,300	12,606	130	12,736
Ordnance and facilities, Navy		159,172	149,850	2,946		154,126	155,300	2,800	158,100	34,229	146	34,375
Servicewide operations, Navy		106,622	117,993	5,326		102,030	115,600	5,000	120,600	22,627	326	22,953
Servicewide supply and finance, Navy		301,061	309,637	14,150		294,369	312,900	13,000	325,900	14,154	1,150	15,304
Ships and facilities, Navy		820,884	780,408	7,403		831,686	778,800	7,200	786,000	149,670	203	149,873
Office of Public Affairs: Salaries and expenses	061	466	417	35		443	424	32	456	37	3	40
Preparation for sale or salvage of military property, Army (indefinite special fund)		20,601				19,887	2,200		2,200			
Preparation for sale or salvage of military property, Navy (indefinite special fund)		13,658				13,272	1,100		1,100			
Preparation for sale or salvage of military property, Air Force (indefinite special fund)		8,264				7,219	1,760		1,760	170		170
Miscellaneous expired accounts, Army						−9,171	500		500	150		150
Miscellaneous expired accounts, Navy						22,634	3,900		3,900	2,526		2,526
Miscellaneous expired accounts, Air Force						19	30		30	20		20

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ACCOUNT TITLE—Continued

[In thousands]

Category of appropriation and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)					
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate	
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
OPERATION AND MAINTENANCE—Continued												
Permanent authorizations:												
Ship's stores profits, Navy (indefinite special fund)		$8,449	$8,800		$9,000	$8,902	$8,800		$8,800	$9,000		$9,000
Proposed for later transmission, (other than pay increase supplementals):												
Under existing legislation:												
Operation and maintenance, Army				$25,000				$25,000	25,000			
Aircraft and facilities, Navy				13,751				12,000	12,000		$1,751	1,751
Civil engineering, Navy				380				100	100		280	280
Medical care, Navy				8,021				6,000	6,000		2,021	2,021
Ordnance and facilities, Navy				1,300				900	900		400	400
Servicewide operations, Navy				400				400	400			
Servicewide supply and finance, Navy				2,163				1,700	1,700		463	463
Ships and facilities, Navy				12,597				10,000	10,000		2,597	2,597
Adjustment to reflect comparability with proposed 1960 appropriation structure		245,113	228,335	2,162		237,258	210,694	2,000	212,694			
Total, operation and maintenance		10,237,081	10,109,880	195,733	10,511,578	9,890,358	10,208,702	182,729	10,391,431	10,372,053	13,004	10,385,057
PROCUREMENT												
Current authorizations:												
Procurement of equipment and missiles, Army	061	20,000	1,711,548		1,024,700	1,546,679	1,350,000		1,350,000	1,209,000		1,209,000
Aircraft and related procurement, Navy		1,837,000	2,033,795		1,950,294	2,509,583	2,256,000		2,256,000	2,055,000		2,055,000
Shipbuilding and conversion, Navy		1,880,000	2,069,400		1,498,200	1,514,691	1,770,000		1,770,000	1,771,000		1,771,000
Procurement of ordnance and ammunition, Navy		207,800	602,535		564,069	328,259	558,000		558,000	516,000		516,000
Procurement, Marine Corps			25,000		135,200	162,817	170,000		170,000	162,000		162,000
Aircraft procurement, Air Force					4,409,100					662,500		662,500
Missiles procurement, Air Force					2,601,200					1,176,200		1,176,200
Other procurement, Air Force					1,165,200					76,300		76,300
Aircraft, missiles, and related procurement, Air Force		5,853,000	6,589,875			7,660,610	6,940,900		6,940,900	5,117,100		5,117,100
Procurement other than aircraft and missiles, Air Force		1,525,807	2,220,020			1,264,243	1,619,000		1,619,000	1,191,800		1,191,800
Construction of ships, Military Sea Transportation Service, Department of Defense						15,173	2,500		2,500	1,000		1,000
Adjustment to reflect comparability with proposed 1960 appropriation structure		−269,734	−727,957			−177,525	−483,195		−483,195			
Total, procurement		11,053,873	14,524,216		13,347,963	14,824,530	14,183,205		14,183,205	13,937,900		13,937,900
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION												
Current authorizations:												
Research, development, test, and evaluation, Army	061	505,908	523,299	9,100	1,046,515	476,381	510,400	8,600	519,000	908,500	500	909,000
Research, development, test, and evaluation, Navy		573,406	821,285	9,994	970,920	618,032	797,000	9,000	806,000	920,821	994	921,815
Research, development, test, and evaluation, Air Force		715,142	730,130	9,810	1,149,900	693,627	745,500	9,500	755,000	1,010,690	310	1,011,000
Salaries and expenses, Advanced Research Projects Agency, Department of Defense		83,100	399,742		455,000	1,142	222,000		222,000	415,000		415,000
Emergency fund, Department of Defense			136,072		150,000		136,072		136,072	127,500		127,500
United States scientific satellite		34,200				1,371	7,287		7,287			
Adjustment to reflect comparability with proposed 1960 appropriation structure		346,016	824,117			243,666	575,001		575,001			
Total, research, development, test, and evaluation		2,257,772	3,434,645	28,904	3,772,335	2,034,219	2,993,260	27,100	3,020,360	3,382,511	1,804	3,384,315

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ACCOUNT TITLE—Continued

[In thousands]

Category of appropriation and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
MILITARY CONSTRUCTION												
Current authorizations:												
Military construction, Army	061	$310,000	$230,000			$343,323	$345,000		$345,000	$217,000		$217,000
Military construction, Navy	061	265,000	295,000			369,531	338,000		338,000	266,000		266,000
Military construction, Air Force	061	1,420,000	785,000			927,984	1,200,000		1,200,000	906,900		906,900
Advanced Research Projects Agency: Construction	061		12,018				6,624		6,624	5,394		5,394
Military construction, Army Reserve	061	55,000	6,250			42,126	41,000		41,000	26,500		26,500
Military construction, Naval Reserve	061		8,000			18,821	15,000		15,000	8,200		8,200
Military construction, Army National Guard	061									2,000		2,000
Military construction, Air National Guard	061									8,200		8,200
Loran stations, Department of Defense	061	5,500	20,000			5,500	20,000		20,000			
Olympic winter games, Department of Defense	061	3,500					3,100		3,100	400		400
Construction, Alaska Communication System, Army	061					402	200		200	50		50
Military construction, foreign countries, Department of Defense	061					6,617	18,000		18,000	15,000		15,000
Access roads, Department of Defense	061					1,481	2,263		2,263	1,000		1,000
Family housing, Department of Defense	061					2,529	407		407			
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation:												
Military construction, Army	061				$341,000						$50,000	50,000
Military construction, Navy	061				244,000						25,000	25,000
Military construction, Air Force	061				894,000						134,100	134,100
Military construction, Army Reserve	061				20,000						4,500	4,500
Military construction, Naval Reserve	061				9,000						1,800	1,800
Military construction, Air Force Reserve	061				4,000						2,000	2,000
Military construction, Army National Guard	061				11,000						4,000	4,000
Military construction, Air National Guard	061				17,000						7,000	7,000
Loran stations, Department of Defense	061				23,200						23,200	23,200
Adjustment to reflect comparability with proposed 1960 appropriation structure	061	27,048	12,784			36,773	31,673		31,673			
Total, military construction	------	2,086,048	1,369,052		1,563,200	1,755,087	2,021,267		2,021,267	1,456,644	251,600	1,708,244
REVOLVING AND MANAGEMENT FUNDS												
Public enterprise funds:												
Acquisition, rehabilitation, and rental of Wherry Act housing, Department of Defense: Reappropriation	061	55,000			30,000	39,253	42,000		42,000	42,000		42,000
Defense housing, Army	061					−321	−320		−320	−300		−300
Defense housing, Navy	061					−200	−34		−34			
Laundry service, Naval Academy	061					25	48		48	14		14
Intragovernmental funds:												
Army stock fund	061					−566,140	−281,000		−281,000	−262,000		−262,000
Navy stock fund	061					−141,155	−10,000		−10,000	−75,000		−75,000
Marine Corps stock fund	061					−15,096	−15,000		−15,000	−15,000		−15,000
Air Force stock fund	061					−53,858	−25,000		−25,000	−25,000		−25,000
Army industrial fund	061					23,385	6,000		6,000	−4,000		−4,000
Navy industrial fund	061					−21,139	10,000		10,000			
Air Force industrial fund	061	75,000				7	29,000		29,000			
Army management fund	061					1,186						
Navy management fund	061					−365,573	−494,594		−494,594	−68,440		−68,440

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ACCOUNT TITLE—Continued

[In thousands]

Category of appropriation and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
REVOLVING AND MANAGEMENT FUNDS—Continued												
Intragovernmental funds—Continued												
Air Force management fund						$38,020	$8,600		$8,600			
Naval working fund						1,166	4,500		4,500	$3,000		$3,000
Consolidated working funds, Army						−359	1,500		1,500	100		100
Consolidated working funds, Air Force						−28	10		10	10		10
Total, revolving and management funds		$130,000			$30,000	−1,060,827	−724,290		−724,290	−404,616		−404,616
Total new obligational authority and budget expenditures		36,746,547	$40,843,351	$294,200	40,850,000	39,061,840	40,522,271	$277,729	40,800,000	40,676,957	$268,043	40,945,000

RECAPITULATION								
Enacted or recommended in this document:								
Current authorizations:								
Appropriations		36,673,098	$40,834,551	$39,247,800	$39,061,840	$40,522,271		$40,676,957
Reappropriations		65,000		30,000				
Permanent authorizations:								
Appropriations		8,449	8,800	9,000				
Proposed for later transmission:								
Pay increase supplemental appropriations			161,025			153,729		7,296
Other: Appropriations			133,175	1,563,200		124,000		260,747
Total new obligational authority and budget expenditures		36,746,547	41,137,551	40,850,000	39,061,840	40,800,000		40,945,000

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Fund title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
Acquisition, rehabilitation, and rental of Wherry Act Housing, Department of Defense	061	$57,845	$92,250	$101,918	$18,592	$50,250	$59,918	$39,253	$42,000	$42,000
Defense housing, Army	061	698	550	500	1,019	870	800	−321	−320	−300
Defense housing, Navy	061	1,184	1,366	1,400	1,384	1,400	1,400	−200	−34	
Laundry service, Naval Academy	061	544	578	574	519	530	560	25	48	14
Total, public enterprise funds		60,271	94,744	104,392	21,514	53,050	62,678	38,757	41,694	41,714

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ANALYSIS OF UNEXPENDED BALANCES

BY ACCOUNT TITLE

[In thousands]

Category of appropriation and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
MILITARY PERSONNEL											
Current authorizations:											
Military personnel, Army		[1] $191,126		[2] $125,049		$147,522	$3,314,063	$3,171,565	$334,435		[3] $155,585
Military personnel, Navy		47,795		66,543		71,425	2,476,700	2,414,820	129,445		[3] 78,860
Military personnel, Marine Corps		35,630		19,686		31,003	596,900	565,584	41,416		[3] [7] 35,548
Military personnel, Air Force		112,135		101,330		102,403	3,914,000	3,814,200	144,000		[3] 108,203
Reserve personnel, Army		38,267		25,609		28,093	202,000	175,200	24,800		30,093
Reserve personnel, Navy		15,927		14,465		16,462	88,000	72,500	15,500		16,462
Reserve personnel, Marine Corps		4,759		3,200		3,945	24,300	20,077	3,923		4,245
Reserve personnel, Air Force		6,879		6,506		7,506	54,000	46,000	7,000		8,506
National Guard personnel, Army		59,859		57,901		37,044	191,961	155,800	35,200		38,005
National Guard personnel, Air Force		84,482		87,790		10,690	48,000	36,000	10,100		12,590
Retired pay, Department of Defense		27,440		16,517		16,417	715,000	708,500	6,400		16,517
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Military personnel, Navy						735			735		
Military personnel, Air Force						828			800		28
Retired pay, Department of Defense						100			100		
Total, military personnel		624,299		524,596		474,173	11,624,924	11,180,246	753,854		504,642
OPERATION AND MAINTENANCE											
Current authorizations:											
Operation and maintenance, Army	$63,163	886,092	$43,210	904,187	$43,697	910,792	3,053,785	2,348,799	713,201	$1,697	[4] 860,577
Operation and maintenance, Navy							2,803,192	2,257,900		7,812	[4] 557,821
Operation and maintenance, Air Force	9,336	886,253	[5] 8,025	1,020,297		904,062	4,256,800	3,363,000	810,500		972,362
Operation and maintenance, Army National Guard						22,400	146,000	125,000	18,000		25,400
Operation and maintenance, Air National Guard						53,372	169,000	128,000	47,100		47,272
National Board for the Promotion of Rifle Practice, Army		88		100		80	300	235	65		80
Operation and maintenance, Alaska Communication System, Army	35	1,068	59	1,123		1,158	5,676	4,740	960		1,134
Salaries and expenses, Secretary of Defense		1,064		2,794		2,674	20,500	17,740	2,500		2,934
Claims, Department of Defense		588		562		682	16,500	15,800	600		782
Contingencies, Department of Defense		8,755		1,270		3,270	30,000	25,000	2,000		6,270
Operation and maintenance, Olympic winter games, Department of Defense							400	400			
Salaries and expenses, Court of Military Appeals, Department of Defense		26		37		40	425	389	37		39
Aircraft and facilities, Navy		279,219	10,000	290,864		254,458			181,549		[4] [7] 69,455
Civil engineering, Navy	4,528	24,424	1,758	37,212	1,755	35,407			27,565		[4] 3,137
Marine Corps troops and facilities	4,068	47,833	3,733	46,732	5,548	50,531			32,100		[4] 11,728
Medical care, Navy		4,675		[6] 5,665		11,977			6,803		5,174
Naval petroleum reserves		1,167		318		421			415		6
Navy personnel, general expenses	3,994	16,572	4,217	16,849	2,496	17,413			12,736		[4] 100
Ordnance and facilities, Navy		69,059	314	66,155	1,875	55,582			34,375		[4] 19,062
Servicewide operations, Navy		26,099		29,874		34,557			22,953		11,604
Servicewide supply and finance, Navy	748	15,205	390	20,490	200	18,339			15,304		[4] 2,623
Ships and facilities, Navy	6,006	248,454	7,313	213,345	10,092	197,788			149,873		[4] [7] 34,329
Office of Public Affairs: Salaries and expenses		40		54		50			40		10
Preparation for sale or salvage of military property, Army (indefinite special fund)		1,983		2,478							
Preparation for sale or salvage of military property, Navy (indefinite special fund)		829		1,069							
Preparation for sale or salvage of military property, Air Force (indefinite special fund)		2,385		2,299		539			170		369
Miscellaneous expired accounts, Army		1,871		1,682		382			150		232
Miscellaneous expired accounts, Navy		37,979		12,766		4,947			2,526		2,421
Miscellaneous expired accounts, Air Force		409		213		183			20		163

See footnotes at end of table, p. 457.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ACCOUNT TITLE—Continued

[In thousands]

Category of appropriation and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
OPERATION AND MAINTENANCE—Continued											
Permanent authorizations:											
Ships' stores profits, Navy (indefinite special fund)	$2,303	$2,303	$1,850	$1,850	$1,850	$1,850	$9,000	$7,750	$1,250	$1,850	$1,850
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Aircraft and facilities, Navy						1,751			1,751		
Civil engineering, Navy						280			280		
Medical care, Navy						2,021			2,021		
Ordnance and facilities, Navy						400			400		
Servicewide operations, Navy											
Servicewide supply and finance, Navy						463			463		
Ships and facilities, Navy						2,597			2,597		
Total, operation and maintenance	94,181	2,564,440	80,869	2,680,185	67,513	2,590,466	10,511,578	8,294,753	2,090,304	11,359	2,636,934
PROCUREMENT											
Current authorizations:											
Procurement of equipment and missiles, Army	1,595,891	4,085,669	441,506	2,916,576	449,896	2,588,152	1,024,700	200,000	1,009,000	161,896	[1] 2,153,852
Aircraft and related procurement, Navy	1,790,263	5,096,750	1,464,697	4,464,550	1,284,930	4,180,410	1,950,294	125,000	1,930,000	1,223,557	[1] 4,022,704
Shipbuilding and conversion, Navy	955,907	3,109,559	994,258	3,469,038	1,015,652	3,805,725	1,498,200	204,000	1,567,000	623,098	[1] 3,474,925
Procurement of ordnance and ammunition, Navy	157,412	484,098	44,341	349,753	51,469	324,885	564,069	369,000	147,000	35,364	[1] 357,954
Procurement, Marine Corps	387,132	741,925	258,016	578,637	113,382	416,405	135,200	7,000	155,000	61,782	[1] 383,405
Aircraft procurement, Air Force					331,800	331,800	4,409,100	662,500		1,190,400	[1] 4,096,400
Missile procurement, Air Force					154,900	154,900	2,601,200	1,176,200		358,600	[1] 1,586,900
Other procurement, Air Force					65,300	79,767	1,165,200	66,700	9,600	252,200	[1] 1,188,667
Aircraft, missiles, and related procurement, Air Force	4,556,846	12,232,016	2,757,870	10,038,798	1,754,301	8,783,879			5,117,100	371,201	[1] 3,467,618
Procurement other than aircraft and missiles, Air Force	422,129	2,203,321	438,344	2,379,055	499,464	2,745,681			1,191,800	169,464	[1] 1,231,938
Construction of ships, Military Sea Transportation Service, Department of Defense	10,255	24,315	5,610	9,143		3,833			1,000		2,833
Total, procurement	9,875,835	27,977,653	6,404,642	24,205,550	5,721,094	23,415,437	13,347,963	2,810,400	11,127,500	4,447,562	21,967,196
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION											
Current authorizations:											
Research, development, test, and evaluation, Army	33,828	308,232	55,181	337,735	35,346	751,454	1,046,515	435,000	474,000	35,346	888,969
Research, development, test, and evaluation, Navy	22,725	351,228	10,229	306,603	26,402	502,470	970,920	630,000	291,815	28,566	551,575
Research, development, test, and evaluation, Air Force	76,600	469,399	72,672	490,914	65,000	706,134	1,149,900	528,000	483,000	112,800	845,034
Salaries and expenses, Advanced Research Projects Agency, Department of Defense			67,584	81,958	40,000	259,700	455,000	250,000	165,000	40,000	299,700
Emergency fund, Department of Defense							150,000	127,500			22,500
United States scientific satellite				32,829							
Total, research, development, test, and evaluation	133,153	1,128,859	205,666	1,250,039	166,748	2,219,758	3,772,335	1,970,500	1,413,815	216,712	2,607,778
MILITARY CONSTRUCTION											
Current authorizations:											
Military construction, Army	161,262	501,634	114,878	468,311	94,878	353,311			217,000	28,063	136,311
Military construction, Navy	177,927	587,049	139,102	482,518	110,102	439,518			266,000		173,518
Military construction, Air Force	367,012	1,435,856	902,601	1,927,872	387,601	1,512,872			906,900		605,972

See footnotes at end of table, p. 457.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ACCOUNT TITLE—Continued

[In thousands]

Category of appropriation and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
MILITARY CONSTRUCTION—Continued											
Current authorizations—Continued											
Advanced Research Projects Agency: Construction						$5,394			$5,394		
Military construction, Army Reserve	$28,076	$71,273	$44,517	$84,147	$5,981	42,611			26,500		$16,111
Military construction, Naval Reserve	25,725	41,477	12,464	22,656	5,464	15,656			8,200		7,456
Military construction, Army National Guard					6,786	6,786			2,000		4,786
Military construction, Air National Guard						9,358			8,200		1,158
Olympic winter games, Department of Defense				3,500		400			400		
Construction, Alaska Communication System, Army	857	1,268	672	866	599	666			50	$599	616
Military construction, foreign countries, Department of Defense		56,066		49,449		31,449			15,000		16,449
Access roads, Department of Defense	2,027	4,911		3,430		1,167			1,000		167
Family housing, Department of Defense	3,311	5,737		407							
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation:											
Military construction, Army							$341,000	$50,000		99,878	291,000
Military construction, Navy							244,000	25,000		60,039	219,000
Military construction, Air Force							894,000	134,100		387,601	759,900
Military construction, Army Reserve							20,000	4,500		2,981	15,500
Military construction, Naval Reserve							9,000	1,800		3,464	7,200
Military construction, Air Force Reserve							4,000	2,000			2,000
Military construction, Army National Guard							11,000	4,000		2,786	7,000
Military construction, Air National Guard							17,000	7,000			10,000
Loran stations, Department of Defense							23,200	23,200			
Total, military construction	766,197	2,705,271	1,214,234	3,043,156	611,411	2,419,188	1,563,200	251,600	1,456,644	585,411	2,274,144
REVOLVING AND MANAGEMENT FUNDS											
Public enterprise funds:											
Acquisition, rehabilitation, and rental of Wherry Act housing, Department of Defense	74,894	74,929	88,334	90,677	22,334	48,677	30,000	30,000	12,000	24,370	36,677
Defense housing, Army	440	563	856	883	416	453			−300	216	[1] 253
Defense housing, Navy	347	631	610	831	360	415				285	[1] 340
Laundry service, Naval Academy	77	133	67	108	23	60			14	9	46
Intragovernmental funds:											
Army stock fund	679,245	536,093	688,792	845,143	555,478	706,143			−262,000	400,032	[2] [4] 628,143
Navy stock fund	95,941	332,302	122,542	377,070	29,792	274,621			−75,000	8,092	[2] [4] 255,121
Marine Corps stock fund	33,321	57,530	38,077	52,626	19,027	43,476			−15,000	11,857	[2] [4] 43,106
Air Force stock fund	100,461	194,208	171,892	252,467	81,892	280,467			−25,000	12,492	[2] [4] 248,066
Army industrial fund	455,655	260,629	444,686	187,211	401,094	181,119			−4,000	390,094	[4] 184,119
Navy industrial fund	896,176	215,661	835,485	166,800	627,785	141,800				583,785	141,800
Air Force industrial fund	6,007	7,120	80,932	82,113	71,490	53,113				79,990	53,113
Army management fund	1,091	782	1,064	−404	1,000	−404				1,000	−404
Navy management fund	52,896	155,586	181,814	521,296	79,312	1,015,890			−68,440	88,654	1,084,330
Air Force management fund	6,104	54,473	3,037	16,256	1,000	7,656				1,000	7,656
Naval working fund	6,318	15,341	9,677	14,175	5,177	9,675			3,000	2,177	6,675
Consolidated working funds, Army	3,608	5,322	3,897	5,895	500	4,395			100		4,295
Consolidated working funds, Air Force		60		130		120			10		110
Total, revolving and management funds	2,412,581	1,911,363	2,671,762	2,613,277	1,896,680	2,767,676	30,000	30,000	−434,616	1,604,053	2,693,446

See footnotes at end of table, p. 457.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

BY ACCOUNT TITLE—Continued

[In thousands]

Category of appropriation and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
Proposed for later transmission:											
Department of Defense: Amount anticipated to be "reserved" from proposed 1960 "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"										$935,000	[4] $935,000
Total, Department of Defense—Military Functions	$13,281,947	$36,911,885	$10,577,173	$34,316,803	$8,463,446	$33,886,698	$40,850,000	$24,537,499	$16,407,501	7,800,097	[11] 33,619,140
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations shown above	$10,869,366	$35,000,522	$7,905,411	$31,703,526	$6,566,766	$31,109,847				$4,704,295	$28,679,066
Balances of anticipated pay increase supplementals not identified above						−7,296	$39,286,800	$24,285,899	$16,391,058		
Subtotal	10,869,366	35,000,522	7,905,411	31,703,526	6,566,766	31,102,551				4,704,295	28,679,066
Revolving and management funds	2,412,581	1,911,363	2,671,762	2,613,277	1,896,680	2,767,676				1,604,053	[10] 2,693,446
Proposed for later transmission:											
Appropriations						9,175				1,491,749	2,246,628
Balances of anticipated pay increase supplementals not identified above						7,296	1,563,200	251,600	16,443		
Subtotal						16,471				1,491,749	2,246,628
Total, Department of Defense—Military Functions	13,281,947	36,911,885	10,577,173	34,316,803	8,463,446	33,886,698	40,850,000	24,537,499	16,407,501	7,800,097	[11] 33,619,140

NOTE.—The balances at the start of 1960 have been adjusted between accounts to reflect 1960 changes in appropriation structure.

[1] Includes deficiencies in the Military personnel, Army, 1957 account, in the amount of $390 thousand and in the 1956 account in the amount of $7,246 thousand.

[2] Includes deficiencies in the Military personnel, Army, 1957 account, in the amount of $9,837 thousand and in the 1956 account in the amount of $7,084 thousand.

[3] Reflects transfers between accounts.

[4] Reflects amounts of new orders, deliveries, and adjustment to orders as shown in the table at the end of this chapter, pp 538-539.

[5] Includes unfilled orders of $6,706 thousand from other accounts which will become reimbursements in a subsequent year.

[6] Includes deficiency in the Medical care, Navy, 1958 account, in the amount of $6,882 thousand.

[7] Reflects adjustment of balances downward in expired accounts (net) as follows: Military personnel, Marine Corps—$355 thousand; Aircraft and facilities, Navy—$124 thousand; Ships and facilities, Navy—$3,000 thousand.

[8] Excludes capital transfer in 1960 of $500 thousand.

[9] Excludes capital transfer in 1960 of $75 thousand.

[10] Excludes capital transfers in 1960 of $575 thousand.

[11] Excludes adjustment of balances downward in expired accounts in 1960 of $3,479 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$35,000,522	$31,703,526	$31,102,551
Revolving and management funds	1,911,363	2,613,277	2,767,676
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	----------	7,296
Other: Appropriations	----------	----------	9,175
Total balances brought forward	36,911,885	34,316,803	33,886,698
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	36,673,098	40,834,551	39,247,800
Reappropriations	65,000	----------	30,000
Total new obligational authority under current authorizations	36,738,098	40,834,551	39,277,800
Permanent authorizations: Appropriations	8,449	8,800	9,000
Total new obligational authority enacted or recommended	36,746,547	40,843,351	39,286,800
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	161,025	----------
Other: Appropriations	----------	133,175	1,563,200
Total new obligational authority proposed for later transmission	----------	294,200	1,563,200
Total new obligational authority	36,746,547	41,137,551	40,850,000
Other amounts available: Net transfers of balances to (−) other agencies	−19,543	−665,145	−168,505
Total budget authorizations available	73,638,889	74,789,209	74,568,193
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	39,061,840	40,522,271	24,285,899
Out of balances of prior obligational authority			16,391,058
Total expenditures from obligational authority enacted or recommended	39,061,840	40,522,271	40,676,957
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations	----------	153,729	7,296
Other:			
Out of new obligational authority	----------	124,000	251,600
Out of balances of prior obligational authority			9,147
Total expenditures from obligational authority proposed for later transmission	----------	277,729	268,043
Total budget expenditures	39,061,840	40,800,000	40,945,000
Amounts no longer available:			
Unobligated balances expiring and lapsing	70,984	72,057	----------
Capital transfers from revolving funds to receipt accounts	----------	1,200	575
Adjustment of balances downward in expired accounts, net	189,263	29,253	3,479
Total amounts no longer available	260,247	102,510	4,054
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	31,703,526	31,102,551	28,679,066
Revolving and management funds	2,613,277	2,767,676	2,693,446
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	7,296	----------
Other: Appropriations	----------	9,175	2,246,628
Total balances carried forward at close of year	34,316,803	33,886,698	33,619,140
Direct obligations as shown in detailed schedules for general and special funds	$41,041,954	$43,434,654	$42,707,100
Deduct portion financed from—			
Excess of reimbursements over reimbursable obligations (shelf sales, etc.)	700,060	522,427	901,612
Recoveries of prior year obligations	362,092	604,541	275,000
Obligations incurred, net: Revolving and management funds	−619,008	205,190	−186,219
Obligations incurred, net	39,360,794	42,512,876	41,344,269

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MILITARY PERSONNEL

The following narrative statement covers the active duty appropriations for the Army, Navy, Marine Corps, and Air Force.

1. *Pay and allowances.*—This provides for the pay and allowances of military personnel on active duty including cadets and midshipmen at the three service academies, aviation cadets, and other officer candidates.

The number of active duty military personnel provided for is shown in the following table. The personnel in the civilian components of the Defense forces are described under the pertinent appropriations below.

	Year-end number			*Average number*		
		Estimate			*Estimate*	
	Actual 1958	*1959*	*1960*	*Actual 1958*	*1959*	*1960*
Defense total	2,599,848	2,525,000	2,520,000	2,673,405	2,570,591	2,523,075
Officers	325,460	318,515	316,045	331,112	322,352	316,248
Enlisted	2,264,290	2,194,091	2,190,911	2,331,735	2,236,965	2,193,749
Officer candidates	10,098	12,394	13,044	10,558	11,274	13,078
Army	898,192	870,000	870,000	938,147	887,300	870,200
Officers	104,220	100,100	100,100	106,377	102,100	100,100
Enlisted	792,271	768,200	768,200	829,435	782,900	767,800
Military Academy cadets	1,701	1,700	1,700	2,335	2,300	2,300
Navy	641,005	630,000	630,000	649,674	639,070	629,268
Officers	71,560	69,615	69,615	72,152	70,251	69,418
Enlisted	563,506	554,241	554,241	571,571	562,982	553,794
Naval Academy midshipmen	3,483	3,596	3,580	3,602	3,507	3,481
Aviation cadets	1,393	1,179	909	1,591	1,162	995
Officer candidates	918	1,071	1,360	540	891	1,283
Aviation officer candidates	145	298	295	218	277	297
Marine Corps	189,495	175,000	175,000	193,828	185,434	175,000
Officers	16,741	16,200	16,200	16,692	16,325	16,396
Enlisted	172,754	158,800	158,530	177,136	169,109	158,456
Air cadets	----------	----------	270	----------	----------	148
Air Force	871,156	850,000	845,000	891,756	858,787	848,607
Officers	132,939	132,600	130,130	135,891	133,676	130,334
Enlisted	735,759	712,850	709,940	753,593	721,974	713,699
Air Force Academy cadets	1,169	1,550	1,930	765	1,124	1,480
Aviation cadets	1,289	3,000	3,000	1,507	2,013	3,094

Additional amounts required for 1959 to support the average numbers in the above table for Navy and Air Force are shown under Proposed for later transmission.

Provision is made for amounts otherwise available as quarters allowances to be paid (1) to the revolving fund for Acquisition, rehabilitation, and rental of Wherry Act housing, in cases where such housing is assigned as public quarters, (2) as mortgage payments on Capehart housing, (3) to the Commodity Credit Corporation in payment for foreign currencies used to construct family housing, and (4) to the operation and maintenance appropriations to maintain and operate surplus commodity housing.

In addition, provision is made for payment for proficiency advancements to selected enlisted personnel in critical-skill areas. Funds are provided for advancement of 80,000 men by June 30, 1959, and 163,000 men by June 30, 1960. It also provides for the Government's contribution to the Federal old-age and survivors insurance trust fund under the Servicemen's and Veterans' Survivor Benefits Act, purchase of individual clothing for initial issue to enlisted personnel, replacement of clothing issues in Korea, and for payment of clothing maintenance allowances.

2. *Subsistence in kind.*—This provides for the purchase of food supplies for issue as rations to enlisted personnel including emergency 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 goods in commercial facilities, and transportation of personal property. Payment for services furnished by the Military Sea Transportation Service and Military Air Transport Service for transportation to and from overseas of military personnel, their dependents, household goods and automobiles is also included.

4. *Other costs.*—This provides for expenses of apprehension of deserters and escaped military prisoners, payment of interest on money deposited by enlisted personnel, payment of death gratuities to beneficiaries of military personnel, and payment of premiums on servicemen's mortgage insurance.

Current authorizations:

MILITARY PERSONNEL, *ARMY*

For pay, allowances, individual clothing, *subsistence,* interest on deposits, *gratuities,* [and] permanent change of station travel (*including all expenses thereof for organizational movements*), *expenses of temporary duty travel between permanent duty stations,* for members of the Army on active duty (except those undergoing reserve training), [; expenses incident to movement of troop detachments, including rental of campsites and procurement of utility and other services:] expenses of apprehension and delivery of deserters, prisoners, and [soldiers] *members* absent without leave, including payment of rewards [(] *of* 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; $3,175,961,000], *$3,314,063,000,* and, in addition, [$375,000,000] *$200,000,000,* to be derived by transfer from the Army Stock 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, 1035, 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, 4721; 37 U. S. C. 31a–37, 111b, 231–238, 251–254, 305, 307–309, 314, 315; 38 U. S. C. 691a–g, 1111–1134; 50 U. S. C. App. 2201–2216; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$3,175,961,000** Estimate 1960, **$3,314,063,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$3,018,930,386	$3,072,600,000	$3,082,841,000
2. Subsistence in kind	218,545,111	203,927,000	193,245,000
3. Movements, permanent change of station	246,281,369	242,970,000	232,467,000
4. Other costs	5,295,178	5,555,000	5,510,000
Total direct obligations	3,489,052,044	3,525,052,000	3,514,063,000
Reimbursable obligations:			
1. Pay and allowances	20,000,045	25,202,000	18,667,000
2. Subsistence in kind	160,500,000	166,900,000	171,500,000
3. Movements, permanent change of station	1,858,342	2,583,000	2,583,000
4 Other costs	141,613	200,000	250,000
Total reimbursable obligations	182,500,000	194,885,000	193,000,000
Total obligations	3,671,552,044	3,719,937,000	3,707,063,000

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

MILITARY PERSONNEL, *ARMY*—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance transferred from—"Army stock fund" (71 Stat 313; 72 Stat 714; 1960 appropriation act)	−$350,000,000	−$375,000,000	−$200,000,000
"Army industrial fund" (71 Stat 313)	−50,000,000		
Advances and reimbursements from—Other accounts	−55,398,310	−61,040,000	−64,355,000
Non-Federal sources (40 U. S. C. 481 (c))	−127,101,690	−133,845,000	−128,645,000
Unobligated balance no longer available	247,956	25,909,000	
New obligational authority	3,089,300,000	3,175,961,000	3,314,063,000
New obligational authority:			
Appropriation	$3,129,300,000	$3,175,961,000	$3,314,063,000
Transferred (72 Stat. 7) to—"Procurement of equipment and missiles, Army"	−20,000,000		
"Research, development, test, and evaluation, Army"	−20,000,000		
Appropriation (adjusted)	3,089,300,000	3,175,961,000	3,314,063,000

Object Classification

Direct obligations:			
01 Personal services: Military	$2,934,370,455	$2,975,856,000	$2,989,049,000
02 Travel	182,872,973	177,181,000	172,380,000
03 Transportation of things	50,071,077	54,522,000	48,512,000
07 Other contractual services	8,649,144	14,364,000	13,044,000
08 Supplies and materials	266,198,546	252,829,000	232,572,000
11 Grants, subsidies, and contributions	5,230	5,000	5,000
12 Pensions, annuities, and insurance claims	2,292,000	2,598,000	2,500,000
14 Interest	1,590,000	1,500,000	1,450,000
15 Taxes and assessments	43,002,619	46,197,000	54,551,000
Total direct obligations	3,489,052,044	3,525,052,000	3,514,063,000
Reimbursable obligations:			
01 Personal services: Military	3,913,247	5,142,000	5,290,000
02 Travel	1,971,632	2,743,000	2,783,000
07 Other contractual services	28,323	40,000	50,000
08 Supplies and materials	176,500,000	186,900,000	184,800,000
15 Taxes and assessments	86,798	60,000	77,000
Total reimbursable obligations	182,500,000	194,885,000	193,000,000
Total obligations	3,671,552,044	3,719,937,000	3,707,063,000

MILITARY PERSONNEL, NAVY

For pay, allowances, *individual clothing*, subsistence, interest on deposits, gratuities, [clothing,] permanent change of station travel (including *all expenses thereof for organizational movements)*, expenses of temporary duty travel 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, $2,385,720,000, and in addition, $15,000,000 to be derived by transfer from the Navy Industrial Fund, and $120,000,000 to be derived by transfer from the Navy Stock Fund] *for members of the Navy on active duty (except those undergoing reserve training), midshipmen and aviation cadets, and expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, $2,476,700,000, and, in addition, $75,000,000, to be derived by transfer from the Navy stock fund. (37 U. S. C. 3a–320; 10 U. S. C. 5401–6488; 38 U. S. C. 691, 1011–16; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$2,385,720,000** Estimate 1960, **$2,476,700,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$2,191,343,995	$2,252,636,000	$2,267,817,000
2. Subsistence in kind	152,095,919	147,880,000	151,089,000
3. Movements, permanent change of station	135,755,329	117,156,000	130,000,000
4. Other costs	2,512,846	3,048,000	2,794,000
Total direct obligations	2,481,708,089	2,520,720,000	2,551,700,000
Reimbursable obligations:			
1. Pay and allowances	1,306,304	2,926,000	2,114,000
2. Subsistence in kind	24,794,033	30,696,000	30,696,000
3. Movements, permanent change of station	63,674	91,000	90,000
Total reimbursable obligations	26,164,011	33,713,000	32,900,000
Total obligations	2,507,872,100	2,554,433,000	2,584,600,000
Financing:			
Unobligated balance transferred from—(71 Stat. 316; 72 Stat. 716; 1960 appropriation act)			
"Navy stock fund"	−100,000,000	−120,000,000	−75,000,000
"Navy industrial fund"	−70,000,000	−15,000,000	
"Marine Corps stock fund"	−20,000,000		
Advances and reimbursements from—Other accounts	−15,119,934	−19,917,000	−19,105,000
Non-Federal sources (5 U. S. C. 171m-1, 172d, 172d–1; 10 U. S. C. 6086–7)	−11,044,077	−13,796,000	−13,795,000
Unobligated balance no longer available	2,561,911		
New obligational authority	2,294,270,000	2,385,720,000	2,476,700,000
New obligational authority:			
Appropriation	$2,302,270,000	$2,385,720,000	$2,476,700,000
Transferred to "United States scientific satellite" (71 Stat. 428)	−8,000,000		
Appropriation (adjusted)	2,294,270,000	2,385,720,000	2,476,700,000

Object Classification

Direct obligations:			
01 Personal services: Military	$2,156,543,125	$2,221,368,000	$2,227,744,000
02 Travel	62,342,009	56,296,000	65,450,000
03 Transportation of things	47,594,801	39,707,000	43,142,000
05 Rents and utility services	279,840	1,938,000	13,029,000
07 Other contractual services	10,377,120	10,936,000	10,969,000
08 Supplies and materials	149,376,226	146,243,000	149,754,000
12 Pensions, annuities, and insurance claims	24,563,950	12,584,000	1,920,000
13 Refunds, awards, and indemnities			
14 Interest	363,055	324,000	322,000
15 Taxes and assessments	30,267,963	31,324,000	39,370,000
Total direct obligations	2,481,708,089	2,520,720,000	2,551,700,000
Reimbursable obligations:			
01 Personal services: Military	1,306,304	2,060,000	2,114,000
02 Travel	63,674	91,000	90,000
05 Rents and utility services		866,000	
08 Supplies and materials	24,794,033	30,696,000	30,696,000
Total reimbursable obligations	26,164,011	33,713,000	32,900,000
Total obligations	2,507,872,100	2,554,433,000	2,584,600,000

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, *individual clothing*, subsistence, interest on deposits, gratuities, [clothing,] permanent change of station travel (including *all expenses thereof for organizational movements*), expenses of temporary duty travel 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), $635,692,000, and, in addition, $25,000,000 to be derived by transfer from the Marine Corps Stock Fund] *for members of the Marine Corps on active duty (except those undergoing reserve training), and expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any*

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one case, $596,900,000, and, in addition, $15,000,000, to be derived by transfer from the Marine Corps stock fund. (10 U. S. C. Subtitle C; 37 U. S. C. 31a–381; 38 U. S. C. 901, 1101; 12 U. S. C. 1715m; Department of Defense Appropriation Act, 1959.)

Appropriated 1959, **$635,692,000** Estimate 1960, **$596,900,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$524,093,411	$544,242,000	$528,757,000
2. Subsistence in kind	43,277,217	47,757,000	45,075,000
3. Movements, permanent change of station	32,810,028	39,412,000	37,012,000
4. Other costs	619,124	885,000	1,056,000
Total direct obligations	600,799,780	632,296,000	611,900,000
Reimbursable obligations:			
1. Pay and allowances	163,589	200,000	200,000
2. Subsistence in kind	5,890,959	6,376,000	6,450,000
3. Movements, permanent change of station	14,001	150,000	150,000
Total reimbursable obligations	6,068,549	6,726,000	6,800,000
Total obligations	606,868,329	639,022,000	618,700,000
Financing:			
Unobligated balance transferred from "Marine Corps stock fund" (72 Stat. 717; 1960 appropriation act)		−25,000,000	−15,000,000
Advances and reimbursements from—			
Other accounts	−4,519,027	−6,384,000	−6,470,000
Non-Federal sources (10 U. S. C. 7601)	−1,549,522	−342,000	−330,000
Unobligated balance no longer available	8,649,220	28,396,000	
New obligational authority	609,449,000	635,692,000	596,900,000
New obligational authority:			
Appropriation	$630,000,000	$635,692,000	$596,900,000
Transferred to—			
"United States scientific satellite" (71 Stat. 428)	−7,000,000		
"Emergency fund, Department of Defense" (71 Stat. 313)	−13,551,000		
Appropriation (adjusted)	609,449,000	635,692,000	596,900,000

Object Classification

Direct obligations:			
01 Personal services: Military	$509,715,911	$535,237,000	$520,496,000
02 Travel	22,952,028	26,660,000	25,195,000
03 Transportation of things	8,725,000	11,094,000	10,272,000
07 Other contractual services	890,590	2,182,000	2,055,000
08 Supplies and materials	42,445,033	45,992,000	43,365,000
12 Pensions, annuities, and insurance claims	8,203,601	2,388,000	728,000
14 Interest	93,617	150,000	150,000
15 Taxes and assessments	7,774,000	8,593,000	9,639,000
Total direct obligations	600,799,780	632,296,000	611,900,000
Reimbursable obligations:			
01 Personal services: Military	163,589	200,000	200,000
02 Travel	14,001	150,000	150,000
08 Supplies and materials	5,890,959	6,376,000	6,450,000
Total, reimbursable obligations	6,068,549	6,726,000	6,800,000
Total obligations	606,868,329	639,022,000	618,700,000

Military Personnel, *Air Force*

For pay, allowances, *individual* clothing, subsistence, [transportation,] interest on deposits [of enlisted personnel, and travel in kind for cadets and], *gratuities*, 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;] (*including all expenses thereof for organizational movements*), *expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except those undergoing reserve training), cadets and aviation cadets, and* expenses of apprehension and delivery of deserters, prisoners, and members [of the Air Force] absent without leave, including payment of rewards [(] *of* 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; $3,923,073,000], *$3,914,000,000, and, in addition, $50,000,000, to be derived by transfer from the Air Force stock fund. (5 U. S. C. 171z–1; 10 U. S. C. 265, 555–65, 683–684, 711–12, 744, 771–74, 858, 972, 1035, 1037, 1071–85, 1475–80, 2632, 8012, 8033–34, 8066, 8071–72, 8201–15, 8217–19, 8251–58, 8281, 8284–89, 8293–8303, 8305–10, 8312–13, 8441–42, 8444–52, 8491–92, 8494–8504, 8531, 8611–12, 8632, 8687, 8722, 9306, 9331–37, 9341–55, 9441, 9535, 9561, 9562, 9563, 9621–23, 9741–43, 9746, 9748; 12 U. S. C. 1715m; 18 U. S. C. 4281; 37 U. S. C. 31a, 33–37, 231–39, 251–55, 305, 351–54; 38 U. S. C. 691–91g, 1011–16; 42 U. S. C. 1594–94j; 50 U. S. C. App. 454–55, 1001–12, 1014–15, 2201–16, 2351–56; 70A Stat. 638; 72 Stat. 66, 122, 275, 517, 522, 526; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$3,923,073,000** Estimate 1960, **$3,914,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$3,440,311,590	$3,522,021,000	$3,564,882,000
2. Subsistence in kind	132,035,639	133,250,000	129,057,000
3. Movements, permanent change of station	236,883,137	262,705,000	264,806,000
4. Other costs	5,278,417	5,097,000	5,255,000
Total direct obligations	3,814,508,783	3,923,073,000	3,964,000,000
Reimbursable obligations:			
1. Pay and allowances	3,824,867	4,400,000	4,450,000
2. Subsistence in kind	22,981,891	23,000,000	23,000,000
3. Movements, permanent change of station	228,193	325,000	325,000
4. Other costs	88,412	225,000	225,000
Total reimbursable obligations	27,123,363	27,950,000	28,000,000
Total obligations	3,841,632,146	3,951,023,000	3,992,000,000
Financing:			
Unobligated balance transferred from "Air Force stock fund" (1960 Appropriation Act)			−50,000,000
Advances and reimbursements from—			
Other accounts	−11,034,485	−11,930,000	−11,980,000
Non-Federal sources (123 Stat. 108)	−16,088,878	−16,020,000	−16,020,000
Unobligated balance no longer available	816,317		
New obligational authority	3,815,325,100	3,923,073,000	3,914,000,000
New obligational authority:			
Appropriation	$3,810,819,500	$3,923,073,000	$3,914,000,000
Transferred (72 Stat. 243) from—			
"Reserve personnel, Air Force"	2,702,400		
"National Guard personnel, Air Force"	1,803,200		
Appropriation (adjusted)	3,815,325,100	3,923,073,000	3,914,000,000

Object Classification

Direct obligations:			
01 Personal services: Military	$3,378,866,639	$3,425,422,000	$3,423,590,000
02 Travel	165,749,738	183,796,000	185,144,000
03 Transportation of things	47,422,266	52,606,000	53,108,000
05 Rents and utility services	12,948,000	33,625,000	36,459,000
07 Other contractual services	25,717,266	32,559,000	41,125,000
08 Supplies and materials	132,035,639	133,250,000	129,057,000
10 Lands and structures	1,592,405	10,336,000	31,735,000
11 Grants, subsidies, and contributions	22,000	19,000	20,000
12 Pensions, annuities, and insurance claims	4,694,830	4,312,000	4,556,000
14 Interest	650,000	666,000	679,000
15 Taxes and assessments	44,810,000	46,482,000	58,527,000
Total direct obligations	3,814,508,783	3,923,073,000	3,964,000,000

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

MILITARY PERSONNEL, *AIR FORCE*—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Reimbursable obligations:			
01 Personal services: Military	$3,824,867	$4,400,000	$4,450,000
02 Travel	316,605	550,000	550,000
08 Supplies and materials	22,981,891	23,000,000	23,000,000
Total reimbursable obligations	27,123,363	27,950,000	28,000,000
Total obligations	3,841,632,146	3,951,023,000	3,992,000,000

RESERVE PERSONNEL, *ARMY*

For pay, allowances, clothing, subsistence, [transportation] *gratuities*, 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], while 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; $222,759,000: *Provided*, That the Army Reserve personnel paid from this appropriation shall be maintained at an end strength of not less than three hundred thousand for the fiscal year 1959], *as authorized by law, $202,000,000. (10 U. S. C. 3076, 3221–23, 3540, 3687, 3688, 4382-87; 37 U. S. C. 232 (e), 255, 301; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$222,759,000** Estimate 1960, **$202,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$191,517,967	$195,606,000	$183,700,000
2. Reserve Officers' Training Corps	14,164,116	15,998,000	18,300,000
Total direct obligations	205,682,083	211,604,000	202,000,000
Reimbursable obligations:			
1. Reserve personnel	635,271	660,000	840,000
2. Reserve Officers' Training Corps	103,898	140,000	160,000
Total reimbursable obligations	739,169	800,000	1,000,000
Total obligations	206,421,252	212,404,000	203,000,000
Financing:			
Advances and reimbursements from—			
Other accounts	−529,396	−570,000	−715,000
Non-Federal sources (10 U. S. C. 4621)	−209,773	−230,000	−285,000
Unobligated balance no longer available	2,317,917	11,155,000	
New obligational authority	208,000,000	222,759,000	202,000,000
New obligational authority:			
Appropriation	$198,000,000	$222,759,000	$202,000,000
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. It is estimated that 17,000 enlisted reservists will begin a 6-month period of active duty training in 1959 and the same number in 1960. The paid personnel strength is indicated in the following table:

ARMY RESERVE PERSONNEL STRENGTH

[In paid status]

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
End of year:				
Officers	84,200	79,784	81,151	81,622
Enlisted	226,000	242,053	272,009	248,400
Total	310,200	321,837	353,131	330,022
Average:				
Officers	78,000	79,946	81,276	81,762
Enlisted	190,000	215,707	264,000	263,400
Total	268,000	295,653	345,276	345,162

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	250,000	228,000	211,000
		Drill pay status, subtotal	300,000	278,000	261,000
0	15	Officers	27,630	28,700	28,700
		Enlisted	20,000	28,400	28,400
0	180	Officers	3,501	3,062	2,922
		Enlisted	2,000	7,000	9,000
		Other paid status, subtotal:			
		Officers	31,131	31,762	31,622
		Enlisted	22,000	35,400	37,400
		Total	53,131	67,162	69,022
		Total paid status:			
		Officers	81,131	81,762	81,622
		Enlisted	272,000	263,400	248,400
		Total	353,131	345,162	330,022

2. *Reserve Officers' Training Corps.*—Included are funds for advance course students for uniforms and commutation in lieu of subsistence, pay, travel, and subsistence for attendance at a 42-day summer camp. Details of the program and the average annual enrollment are summarized below:

Course	*1957 actual*	*1958 actual*	*1959 planned*	*1960 proposed*
Junior division	66,147	66,439	66,460	66,000
Senior division:				
First year (basic)	65,865	65,210	70,400	66,000
Second year (basic)	43,287	45,207	44,300	47,400
Total basic	109,152	110,417	114,700	113,400
Third year (advanced)	15,408	14,646	14,300	15,000
Fourth year (advanced)	14,009	13,940	13,400	13,000
Total advanced	29,417	28,586	27,700	28,000
Total senior division	138,569	139,003	142,400	141,400
Number of students commissioned	13,323	13,140	12,840	12,500

Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
01 Personal services	$161,382,805	$165,851,900	$159,184,000
02 Travel	17,722,983	18,394,000	18,081,000
03 Transportation of things	2,760	2,800	3,000
07 Other contractual services	298,813	300,000	300,000
08 Supplies and materials	25,437,726	25,024,000	22,420,000
12 Pensions, annuities, and insurance claims	125,000	200,000	200,000
13 Refunds, awards, and indemnities	2,209	2,300	2,000
15 Taxes and assessments	709,787	1,829,000	1,810,000
Total direct obligations	205,682,083	211,604,000	202,000,000
Reimbursable obligations:			
08 Supplies and materials	739,169	800,000	1,000,000
Total obligations	206,421,252	212,404,000	203,000,000

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, [and] travel, [as authorized by law] *and related expenses* for personnel of the Naval Reserve on active duty while undergoing reserve training, or while performing drills or equivalent duty, regular and

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contract enrollees in the Naval Reserve Officers' Training Corps, and retainer pay [authorized by section 6908 of title 10, United States Code, $90,098,000], *as authorized by law, $88,000,000. (37 U. S. C. 232–305; 10 U. S. C. 6081–6086; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$90,098,000** Estimate 1960, **$88,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$74,453,661	$82,478,000	$80,645,000
2. Reserve officer candidates	6,780,931	7,620,000	7,355,000
Total direct obligations	81,234,592	90,098,000	88,000,000
Reimbursable obligations:			
1. Reserve personnel	156,176		
2. Reserve officer candidates	155,636		
Total reimbursable obligations	311,812		
Total obligations	81,546,404	90,098,000	88,000,000
Financing:			
Advances and reimbursements from—			
Other accounts	−278,683		
Non-Federal sources (10 U. S. C. 7601)	−33,129		
Unobligated balance no longer available	2,033,408		
New obligational authority	83,268,000	90,098,000	88,000,000
New obligational authority:			
Appropriation	$86,000,000	$90,098,000	$88,000,000
Transferred to "Emergency fund, Department of Defense" (71 Stat. 313)	−2,732,000		
Appropriation (adjusted)	83,268,000	90,098,000	88,000,000

This appropriation provides for pay and allowances, subsistence, clothing, and travel costs of naval reservists and Reserve officer candidates. The Reserve personnel program is summarized in the following table:

NAVAL RESERVE PERSONNEL STRENGTH

[In paid status]

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
End of year:				
Officers	38,576	34,045	33,878	34,118
Enlisted	115,736	104,499	111,055	111,050
Total	154,312	138,544	144,933	145,168
Average:				
Officers	37,988	34,298	33,996	33,322
Enlisted	118,744	106,842	107,463	107,390
Total	156,732	141,140	141,459	140,712

The program provides 48 paid drills and 15 days of active duty training for personnel assigned to aviation squadrons, enlisted training units, staff and faculty of officer schools, and selected mobilization billets. Forty-eight destroyers or escort ships and 26 aviation antisubmarine warfare squadrons manned by inactive ready reservists will be included in the program by the end of 1960 and will be immediately ready to augment fleet requirements upon mobilization. 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. Estimated strengths by training categories for 1960 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	23,006	22,234	22,968
		Enlisted	109,817	106,126	109,832
24	15	Officers	2,112	2,088	2,150
		Enlisted	65	52	50
		Drill pay status, subtotal:			
		Officers	25,118	24,322	25,118
		Enlisted	109,882	106,178	109,882
		Total	135,000	130,500	135,000
0	15	Officers	8,760	9,000	9,000
		Enlisted	1,000	1,000	1,000
0	30	do	140	140	140
0	90	do	33	72	28
		Other paid status, subtotal:			
		Officers	8,760	9,000	9,000
		Enlisted	1,173	1,212	1,168
		Total	9,933	10,212	10,168
		Total paid status:			
		Officers	33,878	33,322	34,118
		Enlisted	111,055	107,390	111,050
		Total	144,933	140,712	145,168

The reserve officer candidate programs are maintained to provide officers for the regular Navy, the Marine Corps, and their Reserve components. During 1960 the Reserve Officers' Training Corps program will be conducted at 53 institutions. Details of the programs are summarized below:

Type of program	*1957 actual*	*1958 actual*	*1959 planned*	*1960 proposed*
NROTC regular	6,091	5,808	5,904	5,634
NROTC contract	7,116	6,159	6,746	6,739
Reserve officer candidates	465	566	545	500
Number of officer candidates commissioned	2,533	3,096	2,600	2,550

Object Classification

		1958 actual	1959 estimate	1960 estimate
Direct obligations:				
01	Personal services: Military	$69,410,154	$76,771,000	$75,021,000
02	Travel	7,834,024	8,626,000	8,381,000
07	Other contractual services	162,604	194,000	189,000
08	Supplies and materials	3,388,869	3,964,000	3,796,000
12	Pensions, annuities, and insurance claims	48,877	66,000	67,000
15	Taxes and assessments	390,064	477,000	546,000
	Total direct obligations	81,234,592	90,098,000	88,000,000
Reimbursable obligations:				
01	Personal services: Military	3,445		
08	Supplies and materials	308,367		
	Total reimbursable obligations	311,812		
	Total obligations	81,546,404	90,098,000	88,000,000

Reserve Personnel, Marine Corps

For pay, allowances, clothing, subsistence, gratuities, [and] travel, [as authorized by law,] *and related expenses* 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, [$23,760,000] *as authorized by law, $24,300,000. (10 U. S. C. 5252, 5456, 6148; 37 U. S. C. 31a–310; 38 U. S. C. 1101; 69 Stat. 598; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$23,760,000** Estimate 1960, **$24,300,000**

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

RESERVE PERSONNEL, MARINE CORPS—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$21,471,786	$22,703,000	$23,156,000
2. Reserve officer candidates	935,920	1,057,000	1,144,000
Total direct obligations	22,407,706	23,760,000	24,300,000
Reimbursable obligations:			
1. Reserve personnel	1,514,626	641,000	532,000
2. Reserve officer candidates	8,813		
Total reimbursable obligations	1,523,439	641,000	532,000
Total obligations	23,931,145	24,401,000	24,832,000
Financing:			
Advances and reimbursements from—			
Other accounts	−1,207,243	−561,000	−452,000
Non-Federal sources (10 U. S. C. 7601)	−316,196	−80,000	−80,000
Unobligated balance no longer available	201,294		
New obligational authority	22,609,000	23,760,000	24,300,000
New obligational authority:			
Appropriation	$23,309,000	$23,760,000	$24,300,000
Transferred to "United States scientific satellite" (71 Stat. 428)	−700,000		
Appropriation (adjusted)	22,609,000	23,760,000	24,300,000

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]

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
End of year:				
Officers	6,577	5,403	4,873	4,873
Enlisted	42,460	42,755	41,255	42,902
Total	49,037	48,158	46,128	47,775
Average:				
Officers	6,521	5,406	5,162	4,873
Enlisted	40,728	41,992	41,318	41,634
Total	47,249	47,398	46,480	46,507

The program provides 48 paid drills for personnel assigned to ground combat units or aviation squadrons, 24 paid drills for personnel assigned to staff groups and a 15-day active duty training period for both. Other selected ready reservists receive active duty training only. Estimated strengths by training category for 1960 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	3,316	3,316	3,316
		Enlisted	38,187	37,295	39,065
24	15	Officers	357	357	357
		Enlisted	73	73	73
		Drill pay status, subtotal:			
		Officers	3,673	3,673	3,673
		Enlisted	38,260	37,368	39,138
		Total	41,933	41,041	42,811
0	15	Officers	1,200	1,200	1,200
		Enlisted	200	200	200
0	30	----do	225	375	375
0	90–180	----do	2,570	3,691	3,189
		Other paid status, subtotal:			
		Officers	1,200	1,200	1,200
		Enlisted	2,995	4,266	3,764
		Total	4,195	5,466	4,964
		Total paid status:			
		Officers	4,873	4,873	4,873
		Enlisted	41,255	41,634	42,902
		Total	46,128	46,507	47,775

The reserve officer candidate program provides junior officers for the regular Marine Corps and its Reserve with average enrollment as summarized below:

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
Junior course	1,472	2,001	1,297	1,418
Senior course	835	882	994	1,134
Number commissioned	571	533	627	640

Object Classification

		1958 actual	1959 estimate	1960 estimate
Direct obligations:				
01	Personal services: Military	$16,049,550	$16,876,000	$16,967,000
02	Travel	3,553,260	3,310,900	3,225,000
07	Other contractual services	30,847	40,000	40,000
08	Supplies and materials	2,624,340	3,355,100	3,866,000
12	Pensions, annuities, and insurance claims	22,079	22,000	22,000
15	Taxes and assessments	127,630	156,000	180,000
	Total direct obligations	22,407,706	23,760,000	24,300,000
Reimbursable obligations:				
08	Supplies and materials	1,523,439	641,000	532,000
	Total obligations	23,931,145	24,401,000	24,832,000

RESERVE PERSONNEL, *AIR FORCE*

For pay, allowances, clothing, subsistence, [and] *gratuities*, travel, *and related expenses* for personnel of the Air Force Reserve [and the Air Reserve Officers' Training Corps, while] on active duty *while* undergoing Reserve training or while performing drills or equivalent duty, *and for members of the Air Reserve Officers' Training Corps*, as authorized by law[; and the procurement and issue of uniforms to institutions necessary for the training of the Air Reserve Officers' Training Corps, as authorized by law; $53,746,000], *$54,000,000. (10 U. S. C. 261–80, 510–12, 515, 591–95, 597–600, 651, 671–85, 715, 771–74, 1001–07, 1163, 1475–80, 2001, 2231–38, 2511, 8012, 8062, 8076, 8221–23, 8259–60, 8351–56, 8358–63, 8365–68, 8370–81, 8392–95, 8491, 8540, 8611–12, 8685, 8687, 8722, 9301, 9381–87, 9411–14, 9561–63, 9741, 9743; 37 U. S. C. 231–39, 251–55, 301, 305; 50 U. S. C. App. 454–55; 70A Stat. 636; 72 Stat. 66, 122, 124, 664; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$53,746,000** Estimate 1960, **$54,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$41,991,270	$44,100,000	$48,310,000
2. Reserve Officers' Training Corps	5,362,029	5,900,000	5,690,000
Total direct obligations	47,353,299	50,000,000	54,000,000
Reimbursable obligations:			
1. Reserve personnel	20,522	15,000	15,000
2. Reserve Officers' Training Corps	389,861	10,000	10,000
Total reimbursable obligations	410,383	25,000	25,000
Total obligations	47,763,682	50,025,000	54,025,000
Financing:			
Advances and reimbursements from—			
Other accounts	−17,764	−25,000	−25,000
Non-Federal sources (10 U. S. C. 9627)	−392,619		
Unobligated balance no longer available	444,301	3,746,000	
New obligational authority	47,797,600	53,746,000	54,000,000
New obligational authority:			
Appropriation	$55,000,000	$53,746,000	$54,000,000
Transferred to—			
"Air Force industrial fund" (71 Stat. 430)	−4,500,000		
"Military personnel, Air Force" (72 Stat. 243)	−2,702,400		
Appropriation (adjusted)	47,797,600	53,746,000	54,000,000

This 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

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is designed to provide trained units to supplement regular Air Force units and trained individuals to augment Regular Air Force organizations and activities. The Reserve Officers' Training Corps program is designed to provide qualified junior officers for the Regular Air Force and the Reserve. During 1960, there will be 15 combat training wings plus supporting units, a continuation of the 1959 force.

AIR FORCE RESERVE PERSONNEL STRENGTHS

[In paid status]

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
Ending:				
Officers	26,292	21,481	28,181	30,218
Airmen	29,286	30,798	36,177	41,684
Total	55,578	52,279	64,358	71,902
Average:				
Officers	32,592	28,248	26,679	29,295
Airmen	27,162	32,407	33,181	39,177
Total	59,754	60,655	59,860	68,472

The program is based on 48 paid drills 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. Specialist training personnel and nonrated mobilization assignees have been provided 24 paid drills. Those individuals receiving 15 days active duty only are mobilization assignees assigned to major commands whose civilian occupations are so closely allied to their military specialties that they do not require frequent inactive duty training. 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 increase individual proficiency. Estimated strengths by training categories for 1960 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	8,180	8,577	8,950
		Airmen	19,830	21,692	23,540
24	15	Officers	13,345	13,970	14,520
		Airmen	12,070	12,924	13,550
		Drill pay status, subtotal:			
		Officers	21,525	22,547	23,470
		Airmen	31,900	34,616	37,090
		Total	53,425	57,163	60,560
	15	Officers	6,582	6,598	6,598
		Airmen	2,493	2,652	2,652
0	30	Officers	74	150	150
		Airmen	4	12	12
0	90–180	do	1,780	1,897	1,930
		Other paid status, subtotal:			
		Officers	6,656	6,748	6,748
		Airmen	4,277	4,561	4,594
		Total	10,933	11,309	11,342
		Total paid status:			
		Officers	28,181	29,295	30,218
		Airmen	36,177	39,177	41,684
		Total	64,358	68,472	71,902

During 1960 the Air Force Reserve Officers' Training Corps program will be conducted at 179 institutions with average enrollment as follows:

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
Air science I (basic)	49,753	47,534	50,500	52,200
Air science II (basic)	29,666	30,631	31,850	33,400
Air science III (advanced)	5,440	4,993	5,225	4,750
Air science IV (advanced)	6,129	4,659	4,442	4,580
Number of students commissioned	7,345	5,363	4,160	4,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
01 Personal services: Military	$41,557,867	$43,036,000	$46,522,000
02 Travel	2,472,729	2,791,000	2,949,000
08 Supplies and materials	3,029,816	3,797,000	4,072,000
12 Pensions, annuities, and insurance claims	20,000	30,000	30,000
15 Taxes and assessments	272,887	346,000	427,000
Total direct obligations	47,353,299	50,000,000	54,000,000
Reimbursable obligations:			
08 Supplies and materials	410,383	25,000	25,000
Total obligations	47,763,682	50,025,000	54,025,000

[ARMY] NATIONAL GUARD *PERSONNEL, ARMY*

For pay, allowances, clothing, subsistence, [transportation, and] *gratuities,* travel, [as authorized by law,] *and related expenses* 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) 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); $342,093,000], *as authorized by law, $191,961,000: Provided,* That obligations may be incurred under this appropriation *for the foregoing expenses* for training of units designated for early deployment under mobilization plans [and for installation, maintenance, and operation of facilities] *or* for antiaircraft defense *of the United States and Hawaii* without regard to section 107 of title 32, United States Code[: *Provided further,* That the Army National Guard shall be maintained at an average strength of not less than four hundred thousand for the fiscal year 1959]. (*10 U. S. C. 311; 32 U. S. C. 104, 106–108, 315, 318–322, 502–506; 37 U. S. C. 232 (e), 255, 301; Sec. 30–31, Public Law 1028, 84th Congress; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$342,093,000** Estimate 1960, [a] **$191,961,000**

[a] Excludes $146,000,000 for activities transferred in the estimates to "Operation and maintenance, Army National Guard." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations: Military personnel costs	$200,458,935	$205,740,000	$191,961,000
Reimbursable obligations: Military personnel costs	834,940	740,000	840,000
Total obligations	201,293,875	206,480,000	192,801,000
Financing:			
Comparative transfers to other accounts	134,322,859	136,413,000	----------
Advances and reimbursements from—			
Other accounts	−1,050,876	−299,000	−270,000
Non-Federal sources (10 U. S. C. 4621)	−559,604	−501,000	−570,000
Unobligated balance no longer available	793,746	----------	----------
Appropriation (new obligational authority)	334,800,000	342,093,000	191,961,000

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

[ARMY] NATIONAL GUARD *PERSONNEL, ARMY*—Continued

National Guard personnel are trained in their respective units in 48 armory drills and 15 days field training. Recruits without prior service must take 6 months active duty for basic training in a Federal status under provisions of 10 U. S. C. 672. It is estimated that 44,000 enlisted recruits will begin a 6-month period of active duty training in 1959 and 28,000 in 1960. Selected personnel receive specialized training at Army schools and command post exercises. Funds are provided for military personnel costs of pay, travel, subsistence, and clothing.

The Army National Guard reorganization to the pentomic structure, started in 1959, will continue in 1960. As a result it is expected that the number of federally recognized local units will decrease from 5,327 at the end of 1958 to 4,042 on June 30, 1960. The structure of the major units will be maintained in 1960 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]

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
End of year:				
Officers	36,795	37,942	37,000	35,000
Enlisted	385,383	356,387	363,000	325,000
Total	422,178	394,329	400,000	360,000
Average:				
Officers	35,933	37,186	37,600	36,000
Enlisted	377,538	371,197	362,400	344,000
Total	413,471	408,383	400,000	380,000

The composition of the Guard by training category during 1960 is indicated below:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	37,000	36,000	35,000
		Enlisted	339,600	326,000	314,000
0	180	do	23,400	18,000	11,000
		Total	400,000	380,000	360,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
01 Personal services: Military	$162,196,766	$166,582,000	$160,291,000
02 Travel	8,714,993	9,109,000	7,942,000
08 Supplies and materials	28,200,004	28,490,000	22,205,000
12 Pensions, annuities, and insurance claims	47,263	47,000	47,000
15 Taxes and assessments	1,299,909	1,512,000	1,476,000
Total direct obligations	200,458,935	205,740,000	191,961,000
Reimbursable obligations:			
01 Personal services	119,521	120,000	120,000
08 Supplies and materials	715,419	620,000	720,000
Total reimbursable obligations	834,940	740,000	840,000
Total obligations	201,293,875	206,480,000	192,801,000

[AIR] NATIONAL GUARD *PERSONNEL, AIR FORCE*

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] *gratuities, travel, and related expenses for personnel* 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, *or while undergoing training or while performing drills or equivalent duty*, 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, initiated in prior fiscal years; maintenance, operation, and modification of aircraft; transportation of things; purchase (not to exceed fifty-four, of which 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; $240,335,000: *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], *$48,000,000: Provided, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code. (10 U. S. C. 261–80, 311–12, 510–12, 515, 591–95, 597–600, 651, 671–72, 676–85, 715, 771–74, 1001–07, 1163, 2001, 2231–38, 3015, 8012, 8033, 8062, 8077–79, 8224–25, 8261, 8351–56, 8358–63, 8365–68, 8370–81, 8392–95, 8491, 8495–96, 8498, 8611–12, 8687, 9021, 9301, 9561–63, 9743; 31 U. S. C. 698; 32 U. S. C. 101–11, 301–05, 307–08, 312–33, 501–07; 37 U. S. C. 31a, 33–37, 231–39, 251–55, 301, 305; 50 U. S. C. App. 2201–16; 70A Stat. 631, 633, 636; 72 Stat. 66, 122, 124, 521, 664, 1713; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, [a] **$249,935,000** Estimate 1960, [b] **$48,000,000**

[a] Includes $9,600,000 appropriated in "Military Construction Appropriation Act, 1959."

[b] Excludes amounts for activities transferred in the estimates to other titles, as follows:

"Military construction, Air National Guard"	$17,000,000
"Other procurement, Air Force"	18,870,000
"Operation and maintenance, Air National Guard"	169,000,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations: Military personnel	$44,098,315	$48,079,000	$48,000,000
Reimbursable obligations: Military personnel	257,527	147,000	157,000
Total obligations	44,355,842	48,226,000	48,157,000
Financing:			
Comparative transfers to other accounts	213,164,715	204,018,000	
Advances and reimbursements from—			
Other accounts		−15,000	−15,000
Non-Federal sources (10 U. S. C. 9621)	−257,527	−132,000	−142,000
Unobligated balance no longer available	1,133,770		
New obligational authority	258,396,800	252,097,000	48,000,000
New obligational authority:			
Appropriation	$263,000,000	$249,935,000	$48,000,000
Transferred to—			
"Air Force industrial fund" (71 Stat. 430)	−2,800,000		
"Military personnel, Air Force" (72 Stat. 243)	−1,803,200		
Appropriation (adjusted)	258,396,800	249,935,000	48,000,000
Proposed supplemental due to pay increases		2,162,000	

This appropriation provides for pay and allowances, travel, subsistence, and clothing requirements incident to training of the Air National Guard as a reserve component of the Air Force. This training will consist of 48 inactive duty training assemblies and 15 days active duty training. Training will also be provided for Air National Guard personnel in service and technical schools, pilot and observer training schools, and by supplementary exercises. The personnel program is summarized in the following table:

AIR NATIONAL GUARD STRENGTH

	1957 actual	*1958 actual*	*1959 planned*	*1960 proposed*
End of year:				
Officers	8,033	8,354	9,100	9,700
Enlisted	59,917	61,641	63,900	64,800
Total	67,950	69,995	73,000	74,500
Average:				
Officers	7,747	8,220	8,700	9,400
Enlisted	57,747	60,980	62,700	64,300
Total	65,494	69,200	71,400	73,700

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Estimated strengths by training categories during 1960 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	9,100	9,400	9,700
		Enlisted	59,224	61,650	61,439
0	90–180	do	4,676	2,650	3,361
		Total	73,000	73,700	74,500

Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
01 Personal services: Military	$35,578,115	$38,430,000	$38,707,000
02 Travel	3,360,933	4,162,000	4,430,000
08 Supplies and materials	4,833,973	5,090,000	4,424,000
12 Pensions, annuities, and insurance claims	82,041	111,000	108,000
15 Taxes and assessments	243,253	286,000	331,000
Total direct obligations	44,098,315	48,079,000	48,000,000
Reimbursable obligations:			
08 Supplies and materials	257,527	147,000	157,000
Total obligations	44,355,842	48,226,000	48,157,000

Retired Pay, *Department of Defense*

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, [$640,000,000] *$715,000,000.* (*Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$640,000,000** Estimate 1960, **$715,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Nondisability	$306,292,353	$363,535,000	$424,915,000
2. Temporary disability	23,167,665	25,340,000	25,780,000
3. Permanent disability	183,818,453	196,500,000	202,340,000
4. Fleet reserve	46,204,235	52,725,000	59,575,000
5. Survivors' benefits	1,478,987	1,900,000	2,390,000
Total obligations	560,961,693	640,000,000	715,000,000
Financing:			
Unobligated balance no longer available	6,038,307		
New obligational authority	567,000,000	640,000,000	715,000,000
New obligational authority:			
Appropriation	$564,000,000	$640,000,000	$715,000,000
Transferred from "Contingencies, Department of Defense" (72 Stat. 243)	3,000,000		
Appropriation (adjusted)	567,000,000	640,000,000	715,000,000

This estimate includes funds for the pay of all military personnel on the retired lists of the Department of Defense. The estimate 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. The amount requested is exclusive of any administrative expense. The substantial gains to the retired rolls can be directly attributed to the greater number of individuals attaining eligibility for retirement after 20 or more years of active military service. The following tabulation shows the average number of personnel on the rolls in 1958 compared with the estimated numbers for 1959 and 1960:

AVERAGE NUMBER

Type of retirement:	*1958 actual*	*1959 estimate*	*1960 estimate*
1. Nondisability	103,582	115,142	131,459
2. Temporary disability	12,501	12,921	12,950
3. Permanent disability	67,456	68,953	71,080
4. Fleet reserve	23,739	25,474	28,269
5. Survivors' benefits	1,292	1,652	2,061
Total	208,570	224,142	245,819

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$560,961,693	$640,000,000	$715,000,000

Proposed for later transmission:

Military Personnel, Navy

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Pay and allowances		$17,959,000	
2. Subsistence in kind		5,225,000	
3. Movements, permanent change of station		13,129,000	
4. Other costs		422,000	
Total obligations		36,735,000	
Financing:			
Proposed supplemental appropriation		36,735,000	

Under existing legislation, 1959.—Additional funds are anticipated for (1) the higher active duty strength authorized the Navy in support of the Middle East and Far East situations, (2) additional social security costs generated by legislation enacted subsequent to passage of the 1959 appropriation act, (3) travel in excess of that estimated in the 1959 budget, and (4) raw food costs higher than anticipated in the 1959 budget.

Military Personnel, Air Force

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Pay and allowances		$27,540,000	
4. Other costs		288,000	
Total obligations		27,828,000	
Financing:			
Proposed supplemental appropriation		27,828,000	

Under existing legislation, 1959.—Additional funds are anticipated for (1) the higher active duty strength authorized the Air Force in support of the Middle East and Far East situations, (2) additional social security costs generated by legislation enacted subsequent to passage of the 1959 Appropriation Act, and (3) increased costs resulting from higher dependency factors and increased years of service by grade.

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MILITARY PERSONNEL—Continued

Proposed for later transmission—Continued

RETIRED PAY, DEPARTMENT OF DEFENSE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Nondisability		$3,425,000	
2. Temporary disability		75,000	
3. Permanent disability		725,000	
4. Fleet reserve		775,000	
Total obligations		5,000,000	
Financing:			
Proposed supplemental appropriation		5,000,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to cover uncontrollable statutory payments to retired military personnel of the military departments.

OPERATION AND MAINTENANCE

Current authorizations:

OPERATION AND MAINTENANCE, *ARMY*

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; *trophies*, awards, and medals; welfare and recreation; information and educational services for the Armed Forces; recruiting expenses; *meals furnished under contract for selective service registrants called for induction and applicants for enlistment while held under observation;* 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] *$40* 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 [$5,445,000] *$5,855,000* 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; [$3,078,208,000: *Provided*, That during the fiscal year 1959 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] *$3,053,785,000.* (*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, 1959.*)

Appropriated 1959, **$3,078,208,000** Estimate 1960, [a] **$3,053,785,000**
Appropriated (adjusted) 1959, **$3,073,894,815**

[a] Excludes $14,215,000 for activities transferred in the estimates to "Research, Development, Test, and Evaluation, Army." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Tactical forces	$802,508,221	$776,343,000	$736,687,000
2. Training activities	200,942,669	192,855,000	188,169,000
3. Central supply activities	998,514,934	922,653,815	909,627,000
4. Major overhaul and maintenance of materiel	281,215,606	285,806,000	302,137,000
5. Medical activities	176,886,964	169,403,000	167,841,000
6. Armywide activities	506,979,355	486,320,000	532,485,000
7. Army Reserve and Reserve Officers' Training Corps	87,575,067	90,227,000	76,890,000
8. Joint projects	136,796,439	142,271,000	139,949,000
Total direct obligations	3,191,419,255	3,065,878,815	3,053,785,000
Reimbursable obligations:			
1. Tactical forces	69,343,900	72,918,000	72,933,000
2. Training activities	13,673,000	13,786,000	13,950,000
3. Central supply activities	63,013,000	125,614,000	133,429,000
4. Major overhaul and maintenance of materiel	133,395,000	136,036,000	129,370,000
5. Medical activities	103,315,700	103,423,000	106,938,000
6. Armywide activities	15,399,400	16,907,000	17,159,000
7. Army Reserve and Reserve Officers' Training Corps	370,000	402,000	265,000
8. Joint projects	13,358,774	31,888,000	4,883,000
Total reimbursable obligations	411,868,774	500,974,000	478,927,000
Total obligations	3,603,288,029	3,566,852,815	3,532,712,000
Financing:			
Comparative transfers to other accounts	19,088,730	25,416,000	
Comparative transfer (goods and services provided by Federal Republic of Germany)	−31,117,842		
Unobligated balance brought forward (69 Stat. 438)	−63,162,650	−43,210,191	−43,697,386
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Army accounts		−53,157,195	
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−7,371,624	−10,000,000	
Other accounts	−256,742,510	−335,769,000	−365,927,000
Non-Federal sources	−84,262,525	−69,535,000	−71,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−43,210,191	−33,000,000	
Unobligated balance carried forward (69 Stat. 438)	43,210,191	43,697,386	1,697,386
Unobligated balance no longer available	2,300,392		
New obligational authority	3,182,020,000	3,091,294,815	3,053,785,000
New obligational authority:			
Appropriation	$3,236,288,800	$3,078,208,000	$3,053,785,000
Transferred to—			
"Emergency fund, Department of Defense" (72 Stat. 7; 72 Stat. 243)	−61,046,800		
"Operating expenses, National Archives and Records Service," General Services Administration	−280,000	−581,000	
"Operation and maintenance, Air Force" (63 Stat. 589)		−3,177,185	
"Salaries and expenses, Secretary of Defense" (63 Stat. 589)		−555,000	
Transferred (72 Stat. 243) from—			
"Salaries and expense, Secretary of Defense"	230,000		
"Claims, Department of Defense"	600,000		
"Contingencies, Department of Defense"	6,228,000		
Appropriation (adjusted)	3,182,020,000	3,073,894,815	3,053,785,000
Proposed supplemental due to pay increases		17,400,000	

NOTE.—Reimbursements from non-Federal sources are principally from 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.*—This provides for fulfilling the Army's responsibility for support of unified combatant commands through its forces deployed overseas and the Army Air Defense Command which assists in the air defense of the

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United States. It also provides for other active Army tactical forces, such as the Strategic Army Forces in the 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. Major combat units supported are as follows:

	1958	1959	1960
Air defense forces:			
Air defense guided missile battalions	65	71	73¼
Other air defense battalions	22	11	7
Tactical ground forces:			
Divisions	15	14	14
Armored cavalry regiments	5	5	5
Armored combat commands	1	1	1
Brigades (infantry)	2	2	2
Battle groups (infantry)	6	8	8
Missile commands	4	4	4
Field artillery missile groups (heavy)	2	3	3

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 United States Military Academy; tuition costs at civilian institutions; and costs of training aids and publications. The average student load is as follows:

	1958 actual	1959 estimate	1960 estimate
Army schools	37,987	36,773	34,129
Army colleges	941	927	871
United States Military Academy	2,335	2,300	2,300

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 with respect to subsistence, clothing and textiles, and traffic management for all military departments.

The supply distribution system comprises 44 supply depots in the United States and 37 overseas which receive, store, and issue Army supplies and equipment, including Army aviation materiel.

MAJOR WORKLOAD FACTORS

	1958 actual	1959 estimate	1960 estimate
Tons of materiel received for storage	4,048,399	3,957,995	4,036,439
Average tons of materiel in storage	48,544,700	51,932,980	52,310,846
Tons of materiel shipped	3,851,964	3,610,369	3,655,044

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 missiles, aircraft, and special weapons repair parts for worldwide issue. The program for 1960 reflects the continued 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. It cost the Army $24,225,000 in 1958 for care of dependents of its military personnel in civilian hospitals and these costs are estimated at $24,007,000 in 1959 and $19,914,000 in 1960.

Provision is made for operation in the continental United States of 54 hospitals and 86 dispensaries. The average number of patients is indicated in the following table:

MEDICAL FACILITIES AND PATIENTS

	1958 actual	1959 estimate	1960 estimate
Hospitals:			
Continental United States	57	56	54
Overseas	35	35	35
Patients in Army facilities:			
Active duty:			
Army	8,592	7,834	7,652
Other uniformed services	1,325	1,422	1,342
Dependents of uniformed services:			
Army	2,578	2,693	2,926
Other uniformed services	809	844	936
Retired:			
Army	339	338	338
Other uniformed services	89	100	100
Other categories of patients	1,312	1,240	1,263
Total average daily occupied beds	15,044	14,471	14,557
Total medical and dental outpatient treatments and examinations	28,141,000	25,164,000	26,174,000

PATIENTS IN NON-ARMY FACILITIES

Active duty	1,063	1,042	1,048
Retired	155	172	173
Dependents of military personnel:			
In Federal hospitals	400	426	436
In civilian hospitals	1,599	1,390	1,085

MEDICAL PERSONNEL IN TRAINING

In medical department schools	3,848	3,723	3,919
In Army hospitals and other medical facilities	151	147	147
In civilian institutions	392	385	405
Total	4,391	4,255	4,471

6. *Armywide activities.*—This includes the following administrative-type activities:

	1958 actual	1959 estimate	1960 estimate
Major command headquarters:			
Departmental headquarters	$44,816,137	$45,896,000	$48,969,000
Headquarters technical services	43,324,616	42,273,000	41,873,000
Major field commands	97,760,993	88,855,000	88,238,000
Specialized services:			
Armywide communications services	70,612,041	53,191,000	77,740,000
Armywide finance services	22,553,519	24,079,000	24,347,000
Armywide audit services	16,678 521	16,555,000	16,555,000
Evaluation activities	82,216,400	85,243,000	104,428,000
Military surveys and maps	46,244,407	43,206,000	42,438,000
Other specialized services	82,772,721	87,022,000	87,897,000

7. *Army Reserve and Reserve Officers' Training Corps.*—Provision is made for the maintenance and operation of the United States Army Reserve and Reserve Officers' Training Corps; operation of 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 United States Army Reserve.

8. *Joint projects.*—These are activities of a defense-wide nature, for which the Department is assigned administrative responsibility. Includes the National War College, the Industrial College of the Armed Forces, the Alternate Joint Communications Center, certain joint headquarters in overseas areas, international activities, Armed Forces information and education program, and certain classified activities.

The data shown above include workload in 1959 for which a supplemental appropriation is shown under Proposed for later transmission.

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, *ARMY*—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
OPERATION AND MAINTENANCE, ARMY			
Total number of permanent positions	299,376	293,697	287,770
Full-time equivalent of all other positions	1,348	1,286	1,289
Average number of all employees	288,928	284,487	278,876
Number of employees at end of year	287,627	280,968	278,572
Average GS grade and salary	5.8 $4,655	5.9 $5,120	5.9 $5,139
Average salary of ungraded positions	4,650	4,775	4,790
Personal service obligations:			
Permanent positions	$1,234,265,700	$1,261,833,000	$1,246,353,000
Positions other than permanent	5,025,003	4,998,000	5,010,000
Other personal services	33,542,167	34,162,000	36,779,000
Total personal service obligations	1,272,832,870	1,300,993,000	1,288,142,000
Direct obligations:			
01 Personal services	1,193,685,667	1,191,486,000	1,169,267,000
02 Travel	63,701,381	60,677,000	61,500,000
03 Transportation of things	153,985,570	143,191,000	138,073,000
04 Communication services	58,606,326	53,955,000	56,328,000
05 Rents and utility services	90,555,683	87,521,000	86,919,000
06 Printing and reproduction	20,235,751	19,302,000	20,189,000
07 Other contractual services	440,407,740	415,655,000	437,798,500
Services performed by other agencies	35,425,356	36,189,000	38,647,000
Labor contracts with other governments [1]	191,483,250	180,159,000	168,296,500
08 Supplies and materials	722,625,874	677,455,000	671,431,000
09 Equipment	142,600,998	125,809,500	131,727,000
10 Lands and structures	4,079,757	3,733,000	3,796,000
11 Grants, subsidies, and contributions	65,327,855	63,677,000	62,764,000
12 Pensions, annuities, and insurance claims	1,108	1,000	1,000
13 Refunds, awards, and indemnities	2,079,066	1,283,000	1,280,000
14 Interest	1,392	1,315	1,000
15 Taxes and assessments	1,129,568	1,080,000	1,079,000
Unvouchered	5,968,521	4,750,000	4,734,000
Subtotal	3,191,300,863	3,065,924,815	3,053,831,000
Deduct quarters and subsistence charges	46,608	46,000	46,000
Total direct obligations	3,191,254,255	3,065,878,815	3,053,785,000
Reimbursable obligations:			
01 Personal services	79,147,203	109,507,000	118,875,000
02 Travel	1,731,921	2,299,000	2,382,000
03 Transportation of things	13,429,487	24,847,000	25,165,000
04 Communication services	5,134,597	5,847,000	6,092,000
05 Rents and utility services	17,123,029	20,765,000	20,996,000
06 Printing and reproduction	2,503,547	2,813,000	3,106,000
07 Other contractual services	143,698,135	161,701,000	159,661,000
Services performed by other agencies	1,700,000	1,862,000	331,000
08 Supplies and materials	122,152,917	125,957,000	123,737,000
09 Equipment	20,080,699	37,920,000	11,263,000
10 Lands and structures	517,569	981,000	991,000
11 Grants, subsidies, and contributions	4,481,758	6,379,000	6,234,000
15 Taxes and assessments	90,944	96,000	94,000
Unvouchered	76,968		
Total reimbursable obligations	411,868,774	500,974,000	478,927,000
Total, Army	3,603,123,029	3,566,852,815	3,532,712,000
ALLOCATION TO ATOMIC ENERGY COMMISSION			
07 Other contractual services	165,000		
Total obligations	3,603,288,029	3,566,862,815	3,532,712,000

[1] Average number of persons: 1958, 131,885; 1959, 121,300; 1960, 111,400.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, including aircraft and vessels; modification of aircraft; design and alteration of vessels; training and education of members of the Navy and the Marine Corps; administration; procurement of military personnel; purchase (not to exceed one thousand one hundred and seventeen for replacement only, including ten at not to exceed $2,900 each) and hire of passenger motor vehicles; not to exceed $40 per person for civilian clothing, including an overcoat when necessary, for enlisted personnel discharged for inaptitude, unsuitability, or otherwise than honorably; welfare and recreation; medals, awards, emblems and other insignia; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; medical and dental care; care of the dead; lease of facilities; Latin-American cooperation; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; dissemination of scientific information; administration of patents, trademarks, copyrights; losses in exchange and in accounts of disbursing officers, as authorized by law; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; repair of facilities; departmental salaries; utility services for buildings erected at private cost as authorized by law (10 U. S. C. 4778), and buildings on military reservations authorized by Navy regulations to be used for welfare and recreational purposes; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment and welfare expenses for the enlisted men; cryptographic equipment; procurement and production of services, special clothing, supplies, and equipment for such purposes; procurement of plant equipment, appliances, and machine tools, and installation thereof in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves, as authorized by law; not to exceed $12,325,000 for emergency 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 support of the town of Olongapo, as authorized by law; $2,803,192,000, of which $975,000 shall be transferred to the appropriation "Salaries and expenses," Weather Bureau, Department of Commerce, fiscal year 1960, and $16,885,000 shall be transferred to the appropriation "Operating expenses", Coast Guard, fiscal year 1960, for the operation of ocean stations. (5 U. S. C. 55a, 78; 10 U. S. C. 5011–13, 5031, 5131 (6), 6201, 7202, 7203, 7205, 7212, 7288, 7293, 7303, 7391–6, 7421–38; 24 U. S. C. 14a, 15, 34, 35; 31 U. S. C. 638; 42 U. S. C. 1501–5.)

Estimate 1960, [a] **$2,803,192,000**

[a] Estimate is for activities previously carried under appropriations as follows:

"Navy personnel, general expenses"	$94,000,000
"Marine Corps troops and facilities"	172,000,000
"Aircraft and facilities," Navy	863,074,000
"Ships and facilities," Navy	849,637,000
"Ordnance and facilities," Navy	141,889,000
"Medical care," Navy	99,250,000
"Civil engineering," Navy	130,217,000
"Servicewide supply and finance," Navy	317,000,000
"Servicewide operations," Navy	134,000,000
"Naval petroleum reserves"	2,125,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. General expenses, Navy personnel	$83,974,207	$87,124,900	$92,811,000
2. Troops and facilities, Marine Corps	171,344,492	172,273,000	172,000,000
3. Aircraft and facilities	834,088,923	832,710,370	863,074,000
4. Ships and facilities	792,450,463	769,584,750	850,677,000
5. Ordnance and facilities	154,840,374	150,200,000	141,451,000
6. Medical care	92,738,703	89,812,000	99,250,000
7. Civil engineering	108,057,849	105,931,750	107,797,000
8. Servicewide supply	276,379,856	299,769,000	293,283,000
9. Servicewide operations	151,898,164	170,568,600	180,724,000
10. Naval petroleum reserves	812,997	1,683,000	2,125,000
Total direct obligations	2,666,586,028	2,679,657,370	2,803,192,000
Reimbursable obligations:			
1. General expenses, Navy personnel	5,634,599	7,105,000	6,530,000
2. Troops and facilities, Marine Corps	6,356,779	11,179,000	10,902,000
3. Aircraft and facilities	35,282,414	44,023,000	27,473,000
4. Ships and facilities	17,475,377	32,756,000	26,130,000
5. Ordnance and facilities	7,653,560	14,014,000	15,800,000
6. Medical care	22,502,558	23,677,000	25,308,000
7. Civil engineering	33,256,778	46,494,246	40,480,000
8. Servicewide supply	15,695,841	19,026,856	18,752,000
9. Servicewide operations	5,431,926	13,695,000	10,628,000
Total reimbursable obligations	149,289,832	211,970,102	182,003,000
Subtotal	2,815,875,860	2,891,627,472	2,985,195,000
Less intrafund obligations	32,803,504	42,750,000	32,210,000
Total obligations	2,783,072,356	2,848,877,472	2,952,985,000
Financing:			
Comparative transfers from (−) other accounts	−2,783,072,356	−2,848,877,472	
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other accounts			−21,967,129
Advances and reimbursements from—			
Other accounts			−127,005,000
Non-Federal sources (5 U. S. C. 61b, 171m–1, 172d, 172d–1; 10 U. S. C. 1071–85; 2481, 2633, 2665, 2667, 6086–7, 7367, 7581; 22 U. S. C. 1816; 31 U. S. C. 489a)			−8,633,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance carried forward (69 Stat. 438)			$7,812,129
Appropriation (new obligational authority)			2,803,192,000

General.—The general scope of this appropriation is to provide for necessary costs incident to organizing, training, and preparing Navy and Marine Corps forces for the conduct of prompt and sustained combat operations by carrier striking forces, submarine forces, amphibious forces, antisubmarine forces, and mobile logistic support forces and to fulfill the Navy's responsibility to support the unified combatant commands. Included are the operations of ship-based aircraft, patrol seaplanes, and their land-based components, support of Navy and Marine Corps shore activities, and expenses of the Navy Department and headquarters, United States Marine Corps, at the seat of government.

In the accomplishment of the foregoing mission, this appropriation provides for operation and maintenance support of the Navy and Marine Corps in 1960 for the same number of ships and steaming hours as in 1959 and, as a reflection on the increasing emphasis of missiles entering the fleet, for an inventory of operating aircraft reduced by approximately 800 aircraft of all types. While the appropriation provides for a smaller shore establishment to support the fleet than in 1958, expanding programs such as the POLARIS weapon system, nuclear training, and the need for continued support for the DEW line and DEEPFREEZE operations combine to require certain increases in this appropriation.

1. *General expenses, Navy personnel.*—Provision is made for the recruiting and procurement of all naval personnel through approximately 1,000 recruiting facilities, and their individual and group training (except medical and air) in 140 naval schools, in over 50 civilian colleges and in 319 Reserve training centers. The training at naval schools includes recruit training for approximately 100,000 recruits annually and basic technical training, advanced technical training, scientific training and professional education for approximately 50,000 officers and 350,000 enlisted men annually. The civilian colleges are training approximately 1,000 naval officers and enlisted men primarily in various scientific and engineering fields not covered by Naval schools and over 10,000 Naval Reserve Officer Training Corps midshipmen for the Regular and Reserve Navy and Marine Corps. The Reserve training centers maintain the training of over 100,000 reservists annually. The Naval Academy annually prepares approximately 3,500 midshipmen for careers as Naval or Marine Corps officers. Provision is also made for the distribution of all naval personnel to fleet and shore activities and for technical administration of their welfare.

	1958 actual	*1959 estimate*	*1960 estimate*
Average naval strength	649,674	639,070	629,268
Average paid reserve strength	141,140	141,459	140,712
Average training load	177,426	178,893	179,398
Number of schools	149	138	140
Reserve training centers	319	319	319

2. *Troops and facilities, Marine Corps.*—The primary purpose of this activity is to support the Atlantic and Pacific Fleet Marine Forces composed of three Marine divisions, three aircraft wings and supporting units and organizations. The training objectives of the Fleet Marine Forces will stress the vertical envelopment doctrine in amphibious operations by two major division-wing team exercises, six exercises at the regimental combat team-air group level, seventeen exercises at battalion landing team level, including one cold weather exercise, and one combat support landing exercise.

Support of the above includes recruit, technical, and advanced training and operation of three division support bases, two Marine Corps recruit depots, and one Marine Corps schools command. Major equipment overhaul and operation of the Marine Corps supply system are provided through 4 major supply installations, all in primary support of the combat forces. Provision is also made for security and service operations for the Naval Establishment, Marine Corps Reserve training, recreation and welfare, recruiting expenses, maintenance of facilities, and departmental expenses.

A summary of the workload data specifically related to Marine Corps programs follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Average military strength	193,828	185,434	175,000
Major facilities	11	10	10
Recruit training load	10,493	11,665	12,391

3. *Aircraft and facilities.*—This activity provides for 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 such related activities as procurement of weather instruments, technical publications, ground equipment, aerial photographic equipment, maintenance of shipboard catapults and arresting gear, and procurement of special fuels for evaluating newly developed power plants. Funds requested will support aircraft operating with the highly mobile attack carrier striking forces, antisubmarine carrier forces, antisubmarine land and sea patrol squadrons, barrier forces, three Marine air wings, and miscellaneous combat and support squadrons. About 3 million hours will be flown during the conduct of operational and training missions in all the ocean areas of the world and during the training of aviation personnel for possible future fleet assignments. Providing logistic support for this force is a shore establishment consisting of 76 continental and overseas stations. In order to provide the fleet with the most modern weapons and to maintain the fleet in a high degree of readiness, economies have been effected by inactivating shore facilities and reducing the operating aircraft inventory. Because of increasing complexity of weapons a greater amount of funds is requested than was available in 1959. Funds are also requested for a Reserve program of about 400,000 flying hours. Active year-end aircraft inventory: 1958, 10,533; 1959, 9,300; 1960, 9,200.

4. *Ships and facilities.*—Funds are included to support 864 ships of the active fleet, 100 ships in the Naval Reserve training program, and minimum preservation of ships in the Reserve fleet without overhaul or modernization. Emphasis is placed on overhaul and maintenance of active fleet ships; improvements and modernization of selected active ships especially to augment antisubmarine warfare and fleet air defense capability; and repair and overhaul of equipment. Special provision has been made in this budget for a higher level of overhaul and alteration of naval ships in order to improve the condition and readiness of the fleet. The generally higher tempo of operations required of the fleet in connection with Suez, Lebanon, and Taiwan, has greatly increased the wear and tear on ships and their equipment. The increasing complexity of ship maintenance associated with electronics equipment and nuclear propulsion also tends to require increases in this

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, NAVY—Continued

appropriation. These increases are offset partially by a de-emphasis on Reserve fleet support, non-nuclear material procurement, and shore establishment support.

	1958 actual	*1959 estimate*	*1960 estimate*
Number of ships	890	864	864
Number of major facilities	27	27	27
Number of ship overhauls	379	357	372
Number of Naval Reserve training vessels	86	97	100

5. *Ordnance and facilities.*—These funds are required for preparation of ordnance and ammunition for operational readiness such as offensive and defensive missiles and missile-supporting equipment. These complex equipments must be overhauled, modernized and maintained to render the units operational at all times. Supporting ordnance facilities and equipment are vital, along with detailed training information and techniques for personnel involved, in order to ensure reliable performance of Navy equipment, ammunition, and missiles such as TERRIER, TARTAR, TALOS, SIDEWINDER, BULLPUP, and SPARROW, as well as nuclear ordnance available to the Navy's striking forces. At the same time there continues to be an urgent demand for maintaining and overhauling conventional components for issue to our deployed fleet. The ordnance facilities funded must perform laboratory investigations, calibration procedures, technical evaluations and reporting procedures for periodic and post repair checkout of components to insure safety and reliability. Thirty-six major facilities are operated for these purposes.

6. *Medical care.*—This activity provides for medical care and hospitalization of Navy and Marine Corps personnel and their dependents and care of the dead. It includes operation and maintenance of hospitals, dispensaries, dental clinics, and other medical facilities in the United States and overseas; procurement of ambulances, medical and dental supplies, equipment, and services; instruction of medical personnel in naval hospitals, naval schools, and civilian schools; and medical care of military personnel and their dependents in localities where Navy facilities are not available. Obligations for care of dependents in civilian hospitals in 1958 were $28,532,000 and obligations are estimated at $27,880,000 in 1959 and $28,968,000 in 1960. These activities are shown in the following table:

MEDICAL FACILITIES AND PATIENTS

	1958 actual	*1959 estimate*	*1960 estimate*
Hospitals:			
Continental U. S.	44	42	42
Extracontinental	16	16	16
Naval hospitals	(28)	(26)	(26)
Patients in naval facilities:			
Active duty:			
Navy and Marine Corps	10,330	9,685	9,440
Other uniformed services	1,118	1,101	1,093
Dependents of uniformed personnel:			
Navy and Marine Corps	1,339	1,438	1,483
Other uniformed services	258	283	296
Retired:			
Navy and Marine Corps	588	573	589
Other uniformed services	82	94	100
Other categories of patients	613	652	672
Patient loads in naval hospitals	(12,052)	(11,759)	(11,662)
Total average daily occupied beds	14,328	13,826	13,673
Total medical and dental outpatient treatments and examinations	19,662,000	19,228,000	19,154,000

PATIENTS IN NON-NAVAL FACILITIES

Active duty	781	838	835
Retired	81	89	94
Dependents of military personnel:			
In other Federal hospitals	379	410	368
In civilian hospitals	1,608	1,426	1,421

MEDICAL PERSONNEL IN TRAINING (MAN YEARS)

In medical department schools	1,920	2,210	1,815
In naval hospitals and other medical facilities	1,355	1,887	1,835
In civilian institutions	177	186	216
Total	3,452	4,283	3,866

7. *Civil engineering.*—Funds are provided in this activity for engineering services and technical assistance to the entire Naval Shore Establishment. Six public works centers are operated to render logistic support in areas where several naval facilities are located. Three construction battalion centers provide schooling, training, organization and equipping of the Seabee forces as well as the maintenance of mobilization reserve equipment. The Seabee forces comprise 15 construction battalion units for support of the operating forces and operate four bases from which Antaractic operations are conducted.

	1958 actual	*1959 estimate*	*1960 estimate*
Number of housing units maintained	17,822	20,699	21,606
Value of nonpassenger vehicles and construction equipment	$53,887,000	$49,046,000	$31,947,000

8. *Servicewide supply.*—The workload of this activity is a reflection of and is responsive to fleet, air, and shore station operations, including major procurement actions. This activity encompasses the major active force logistical support, both continental and overseas, at shipyards, and at 15 major supply depots and centers. In all, there are 37 supply outlets supported by this program. Planning and programing for this support, including procurement and requirements determinations, for 13 categories of material is accomplished by 12 supply-demand control points of which the aviation supply office at Philadelphia is the largest. These supply-demand control points are directly responsible for the inventory management and the direction of the movement of materials under their cognizance in the Navy supply system. Transportation costs of intra-Navy movement of material directed by these supply-demand control points, including that moving by Military Sea Transportation Service, are also funded by this activity. In addition to the above control points, and under single manager assignment to the Navy, this activity funds the maintenance and operating costs for the military medical supply agency and the military petroleum supply agency.

A summary of workload data specifically related to these programs follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Number of supply actions	18,398,800	17,642,200	16,814,200
Number of items under inventory control	1,193,700	1,193,700	1,193,700
Supply distribution outlets	50	50	37
Inventory management offices	15	15	14

9. *Servicewide operations.*—This activity provides for operational planning, coordination of research and business management, including financial and personnel administration of the Naval Establishment. Central logistic support is provided to a large segment of the Navy by 14 naval stations located where large units of the fleet and other activities are concentrated.

Funds are provided for the worldwide communication network which contributes to operation and security of the naval forces and for coordination of the Naval Establishment. Scientific exploration and studies of the Hydrographic Office and Naval Observatory are also funded in this activity.

10. *Naval petroleum reserves.*—This activity provides support for the operation and maintenance of naval petroleum and oil shale reserves including the hire of consultants; administration provided by the office of the

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director and field inspectors. Income from oil leases: 1958, $16,593,000; 1959, $16,000,000; 1960, $16,000,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
OPERATION AND MAINTENANCE, NAVY			
Total number of permanent positions	206,450	193,195	187,608
Full-time equivalent of all other positions	87	82	84
Average number of all employees	191,825	185,658	180,926
Number of employees at end of year	185,538	182,077	181,023
Average GS grade and salary	5.7 $4,727	5.8 $5,158	5.8 $5,160
Average salary of ungraded positions	$4,619	$4,887	$4,930
Personal service obligations:			
Permanent positions	$889,130,970	$904,320,578	$883,748,700
Positions other than permanent	353,025	364,600	385,600
Other personal services	24,042,282	25,080,753	26,408,224
Total personal service obligations	913,526,277	929,765,931	910,542,524
Direct obligations:			
01 Personal services	887,433,047	893,084,744	873,522,754
02 Travel	34,758,014	36,080,100	36,153,529
03 Transportation of things	75,496,396	90,000,000	88,154,100
04 Communication services	15,223,493	17,426,084	21,556,525
05 Rents and utility services	48,476,977	50,208,298	50,481,539
06 Printing and reproduction	16,249,424	16,519,695	16,380,308
07 Other contractual services	587,253,569	591,487,159	665,311,922
Services performed by other agencies	74,535,151	79,396,950	79,485,950
Labor contracts with foreign governments [1]	16,596,512	15,560,500	15,209,800
Private foreign labor contracts [2]	1,479,100	1,350,000	1,333,000
08 Supplies and materials	681,232,474	644,416,138	670,813,103
09 Equipment	164,415,408	179,005,100	207,886,753
10 Lands and structures	7,187,917	5,744,000	4,880,000
11 Grants, subsidies, and contributions	55,553,364	56,682,489	56,300,786
12 Pensions, annuities, and insurance claims	65,447	63,000	63,000
13 Refunds, awards, and indemnities	772,891	846,000	846,000
15 Taxes and assessments	611,996	624,113	622,931
Subtotal	2,667,341,180	2,678,494,370	2,789,002,000
Deduct portion of foregoing obligations originally charged to object classes 07, 08, and 09	6,504,705	5,037,000	5,035,000
Total direct obligations	2,660,836,475	2,673,457,370	2,783,967,000
Reimbursable obligations:			
01 Personal services	26,093,230	36,681,187	37,019,770
02 Travel	112,399	191,700	223,680
04 Communication services	1,875,866	1,840,975	1,713,750
05 Rents and utility services	3,811,988	4,726,600	4,450,850
06 Printing and reproduction	58,629	63,000	79,000
07 Other contractual services	24,976,419	44,503,294	34,375,911
08 Supplies and materials	59,374,365	73,853,033	56,413,505
09 Equipment	31,916,102	48,350,389	45,951,664
11 Grants, subsidies, and contributions	1,060,158	1,748,792	1,763,816
15 Taxes and assessments	10,676	11,132	11,054
Total reimbursable obligations	149,289,832	211,970,102	182,003,000
Subtotal	2,810,126,307	2,885,427,472	2,965,970,000
Less intrafund obligations	32,803,504	42,750,000	32,210,000
Total, operation and maintenance, Navy	2,777,322,803	2,842,677,472	2,933,760,000
ALLOCATION TO ATOMIC ENERGY COMMISSION			
07 Other contractual services	5,749,553	6,200,000	19,225,000
Total obligations	2,783,072,356	2,848,877,472	2,952,985,000

[1] Average number of persons: 1958, 18,278; 1959, 16,134; 1960, 15,731.
[2] Average number of persons: 1958, 700; 1959, 639; 1960, 631.

Operation and Maintenance, *Air Force*

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, maintenance, and modification of aircraft and missiles*; transportation of things; repair *and maintenance* 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] *$40* 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)] *exchange fees, and losses or deficiencies in the accounts of disbursing officers and their agents, as authorized by law*; 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 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 $6,200,000 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; [$4,053,975,000] *$4,256,800,000. (5 U. S. C. 43, 55a, 75a, 78, 103a, 118a, c, f–h, 150, 1111–33, 2171–96, 2201–2209, 2251, 2254; 10 U. S. C. 122, 261, 280, 591–595, 597–600, 651, 671–85, 711–13, 715–16, 816–29, 847, 859–76, 935, 1037, 1071–1085, 1220, 1481–88, 2386, 2388, 2481, 2511, 2602, 2632–33, 2663, 2670, 2672, 2674–75, 7208, 8012, 8255, 8540–42, 8547, 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, 9780; 12 U. S. C. 1748; 18 U. S. C. 4281; 22 U. S. C. 1981–85; 31 U. S. C. 22a, 95a, 492a–492c; 37 U. S. C. 304; 38 U. S. C. 3703; 40 U. S. C. 34–36, 523; 42 U. S. C. 1594–94j, 1856–56d; 43 U. S. C. 315q; 44 U. S. C. 111; 50 U. S. C. 451–62, 491; 70A Stat. 633; 72 Stat. 203, 275, 327, 405, 522; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$4,053,975,000** Estimate 1960, [a] **$4,256,800,000**
Appropriated (adjusted) 1959, **$4,056,597,185**

[a] Excludes $20,200,000 for activities transferred to "Research, development, test, and evaluation, Air Force." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Operation of aircraft	$592,476,074	$544,281,200	$549,350,000
2. Logistical support	1,415,686,597	1,519,402,900	1,594,850,000
3. Training support	364,654,153	334,408,600	340,000,000
4. Operational support	1,263,151,745	1,298,764,885	1,322,800,000
5. Medical support	134,078,032	135,344,200	135,900,000
6. Servicewide support	214,753,648	268,488,400	308,600,000
7. Contingencies	3,799,562	6,200,000	5,300,000
Total direct obligations	3,988,599,811	4,106,890,185	4,256,800,000
Reimbursable obligations:			
1. Operation of aircraft	3,447,633	3,271,300	2,000,000
2. Logistical support	211,243,197	264,866,455	216,464,000
3. Training support	7,688,665	7,111,700	6,775,000
4. Operational support	25,331,530	57,637,900	58,500,000
5. Medical support	15,956,797	17,808,400	19,061,000
6. Servicewide support	1,327,247	3,807,900	3,700,000
7. Contingencies	3,158	2,000	
Total reimbursable obligations	264,998,227	354,505,655	306,500,000
Total obligations	4,253,598,038	4,461,395,840	4,563,300,000
Financing:			
Comparative transfers to other accounts	11,916,000	18,707,000	
Comparative transfer (goods and services provided by Federal Republic of Germany)	−6,679,098		
Unobligated balance brought forward (69 Stat. 438)	−9,336,000	−1,318,600	
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from (−) or to other accounts	9,255,927	−16,174,905	
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−2,993,505	−10,000,000	
Other accounts	−232,829,454	−288,940,750	−280,719,700
Non-Federal sources	−30,088,700	−23,071,400	−25,780,300
Anticipated reimbursements for future-year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−325,095	−15,000,000	

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, *AIR FORCE*—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance carried forward (69 Stat. 438)	$1,318,600		
Unobligated balance no longer available	19,661,187		
New obligational authority	4,013,497,900	$4,125,597,185	$4,256,800,000
New obligational authority:			
Appropriation	$4,099,597,900	$4,053,975,000	$4,256,800,000
Transferred to—			
"Salaries and expenses, Secretary of Defense" (63 Stat. 589)		−555,000	
"Emergency fund, Department of Defense" (71 Stat. 313, 72 Stat. 7)	−18,400,000		
"Air Force industrial fund" (71 Stat. 430)	−67,700,000		
Transferred from "Operation and maintenance, Army" (63 Stat. 589)		3,177,185	
Appropriation (adjusted)	4,013,497,900	4,056,597,185	4,256,800,000
Proposed supplemental due to pay increases		69,000,000	

The general scope of this appropriation is to support the Air Force with an average active duty personnel strength of 848,607 and a force structure of 102 wings on June 30, 1960, 3 fewer than on June 30, 1959. The funds provided will fulfill Air Force responsibilities in support of unified and specified combatant commands. Part of the reduction in force structure occurs in areas where guided missiles are 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 Strategic Air Command bomber and missile force will have been strengthened both in numbers and quality of aircraft and missiles. The conversion of heavy bomber wings to the B–52 will be completed and a squadron of B–58 will be phased into the program. In consonance with changing requirements, there will be a further reduction of 1 tactical and 2 air defense wings during 1960.

Missile capability in the strategic forces will be strengthened by activation of the first wing of strategic missiles. Additional ballistic missile squadrons will be introduced in the operational forces during 1960. The Bomarc ground-to-air missile will provide the Air Force with an enhanced guided missile capability in its air defense forces. 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 nuclear-armed air-to-air rocket Genie. The tactical missile capability of the Air Force will be further improved as the 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 1960 will be about 754 less than at the end of 1958.

In the accomplishment of the foregoing mission this appropriation provides for operation and maintenance support of the following Air Force programs:

1. *Operation of aircraft.*—Funds are included to support over 6½ million aircraft flying hours. These flying hours are a measure of the combat readiness of the strategic, tactical, and defense forces. Aircraft operations financed from this appropriation are also used in training of individuals for possible later assignment to tactical units. The increase in 1960 funds is related primarily to additional flying hours programed for the Strategic Air Command.

2. *Logistical support.*—There are 17 major installations programed in 1960 to accomplish procurement, supply, and maintenance of aircraft, engines and accessories, missiles, electronics and communication equipment, ground powered and marine equipment, and other miscellaneous equipment. This represents a decrease of 1 installation from 1959 and 3 installations from 1958. This decrease is the result of reducing oversea depot activities and increasing direct support of the oversea units from the continental United States. This was accomplished by utilizing more rapid means of transportation and by more timely stock control through electronic data processing equipment. Over 166,000 civilians are programed in the logistical functions for 1960. The increase in 1960 is primarily related to increased missile and electronic support for the strategic and air defense forces.

3. *Training support.*—Air Force formal training will require 50 installations. Areas to be covered include basic military and technical training, advanced technical training, professional education, pilot, navigator, and combat crew training. In addition, Air Force reservists are to be trained at 119 reserve flying training locations and Air Reserve Centers. Approximately 35,000 civilians will be engaged in the training mission. Training will be provided for 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.

PRINCIPAL TRAINING WORKLOADS

Category	*1958 actual*	*1959 estimate*	*1960 estimate*
Basic military technical training (input)	100,926	111,617	99,726
Advanced technical training (input)	41,227	38,649	39,123
Factory training (input)	8,859	9,842	8,955
Flying training (production)	4,158	3,046	3,000
Professional education (input)	6,935	9,300	9,629

The increase in 1960 is primarily in the basic military and technical training to retrain military personnel in skills where there is a current or projected shortage and to update personnel in new techniques and procedures. There will be some offsetting decreases in factory and navigator training. The Air Force Academy, now located at the permanent site near Colorado Springs, Colo., will operate with a student enrollment of 1,592 cadets at the beginning of the 1960 academic year.

4. *Operational support.*—There will be 193 major Air Force operational installations in 1960, an increase of 3 installations over 1959 and 13 installations over 1958. The increase reflects the dispersal of the strategic forces and the addition of operational missile units. Support is also provided for the main DEWLine, the Aleutian extension, SAGE (Semi-Automatic Ground Environment) combat and direction centers, radar control centers and stations, gap fillers and other air defense activities. Approximately 110,000 civilians will be employed in these facilities. The increase in 1960 is primarily related to the increase in installations, ballistic missile support, and air defense activities.

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. It cost the Air Force $35,614,810 in 1958

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for care of dependents of its military personnel in civilian hospitals and these costs are estimated at $39,968,000 in 1959 and $38,261,000 in 1960. These activities are shown in the following table:

MEDICAL FACILITIES AND PATIENTS

	1958 actual	*1959 estimate*	*1960 estimate*
Hospitals:			
Continental United States	94	91	93
Extracontinental	41	41	41
Patients in Air Force facilities:			
Active duty:			
Air Force	6,039	5,502	5,448
Other uniformed services	424	416	430
Dependents of uniformed personnel:			
Air Force	2,306	2,580	2,865
Other uniformed services	312	340	319
Retired:			
Air Force	84	100	100
Other uniformed services	83	89	83
Other categories of patients	202	188	188
Total average daily occupied beds	9,450	9,215	9,433
Total medical and dental outpatient treatments and examinations	20,828,000	19,160,000	19,169,000
PATIENTS IN NON-AIR FORCE FACILITIES			
Active duty	1,422	1,393	1,352
Retired	58	73	73
Dependents of military personnel:			
In other Federal hospitals	711	715	814
In civilian hospitals	2,174	2,190	1,995
MEDICAL PERSONNEL IN TRAINING			
In medical department schools	6,083	6,245	6,753
In Air Force hospitals and other medical facilities	615	819	1,093
In civilian institutions	871	997	837
Total	7,569	8,061	8,683

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. The increase in 1960 is primarily related to an increase in support of leased commercial communication systems as a direct result of implementation of the SAGE system for air defense and the expansion of the strategic communication systems.

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

	1958 actual	1959 estimate	1960 estimate
OPERATION AND MAINTENANCE, AIR FORCE			
Total number of permanent positions	312,979	293,787	293,827
Full-time equivalent of all other positions	330	342	334
Average number of all employees	290,213	287,274	286,064
Number of employees at end of year	288,650	285,592	286,023
Average GS grade and salary	5.8 $4,701	5.9 $5,280	5.9 $5,304
Average salary of ungraded positions	$5,104	$5,128	$5,152
Personal service obligations:			
Permanent positions	$1,337,838,462	$1,399,013,738	$1,426,945,300
Positions other than permanent	1,971,259	2,370,900	2,147,500
Other personal services	44,385,848	47,074,700	51,673,300
Total personal service obligations	1,384,195,569	1,448,459,338	1,480,766,100
Direct obligations:			
01 Personal services	1,384,195,569	1,448,459,338	1,480,766,100
02 Travel	124,388,498	131,095,848	130,364,200
03 Transportation of things	77,120,423	202,632,320	207,646,400
04 Communication services	87,525,100	129,871,000	162,198,200
05 Rents and utility services	101,389,828	127,697,300	140,628,900
06 Printing and reproduction	27,625,588	29,728,700	28,956,500
07 Other contractual services	788,255,312	749,424,310	808,288,700
Services performed by other agencies	113,944,227	113,231,685	122,383,000
Labor contracts with foreign governments [1]	85,571,285	72,938,400	72,141,900
08 Supplies and materials	1,003,046,325	903,158,156	896,121,000
09 Equipment	112,022,678	110,408,400	115,683,900
11 Grants, subsidies, and contributions	81,550,903	86,760,966	90,002,800
13 Refunds, awards, and indemnities	2,088,200	1,711,700	1,697,100

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
OPERATION AND MAINTENANCE, AIR FORCE—continued			
Direct Obligations—Continued			
15 Taxes and assessments	$519,834	$422,700	$585,700
Subtotal	3,989,243,770	4,107,540,823	4,257,464,400
Deduct quarters and subsistence charges	652,566	650,638	664,400
Total direct obligations	3,988,591,204	4,106,890,185	4,256,800,000
Reimbursable obligations:			
02 Travel	48,600	63,000	65,000
03 Transportation of things	15,154,257	6,072,000	5,696,000
04 Communication services	3,038,219	3,439,900	3,626,000
05 Rents and utility services	4,789,858	5,322,000	5,634,000
06 Printing and reproduction	299,441	205,000	200,000
07 Other contractual services	181,439,102	272,975,255	233,962,000
Services performed by other agencies	4,569,587	4,182,000	3,730,000
08 Supplies and materials	55,222,133	61,641,500	53,067,000
09 Equipment	437,030	605,000	520,000
Total reimbursable obligations	264,998,227	354,505,655	306,500,000
Total, Air Force	4,253,589,431	4,461,395,840	4,563,300,000
ALLOCATION TO HOUSING AND HOME FINANCING AGENCY			
07 Other contractual services	8,607		
Total obligations	4,253,598,038	4,461,395,840	4,563,300,000

[1] Average number of persons: 1958, 61,758; 1959, 52,663; 1960, 51,161.

Operation and Maintenance, Army National Guard

For expenses of training, organizing and administering the Army National Guard, including maintenance, operation, and repairs 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) may be such as is deemed necessary by the Secretary of the Army; 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); $146,000,000: Provided, That obligations may be incurred under this appropriation for the foregoing expenses 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: Provided further, That obligations not exceeding $10,000 for each project may be incurred for extension, modification, and alteration of armory facilities, as authorized by chapter 133, title 10, United States Code, as amended, when such changes to facilities are made necessary by military requirements of the Federal Government: Provided further, That of the amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U. S. C. 200) as having been obligated under the appropriations for "Army National Guard", 1958, and "Army National Guard", 1959, such portions thereof as may be determined by the Secretary of Defense to have been obligated for operation and maintenance activities, may hereafter be accounted for under the headings "Operation and Maintenance, Army National Guard", 1958, and "Operation and Maintenance, Army National Guard", 1959, respectively. (32 U. S. C. 501–507, 706–710, 713; Department of Defense Appropriation Act, 1959.)

Estimate 1960, [a] **$146,000,000**

[a] Estimate is for activities previously carried under "National Guard personnel, Army." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Command and management	$1,546,736	$1,544,000	$1,600,000
2. Training	2,049,838	2,519,000	2,500,000
3. Materiel	5,817,712	5,790,000	6,400,000
4. Supplies and repair parts	14,337,516	14,000,000	14,000,000

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

Operation and Maintenance, Army National Guard—Con.

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Direct obligations—Continued			
5. Services, including equipment maintenance	$100,046,918	$102,300,000	$102,000,000
6. Antiaircraft defense	9,748,599	10,200,000	19,500,000
Total direct obligations	133,547,319	136,353,000	146,000,000
Reimbursable obligations:			
3. Materiel	123,709		
4. Supplies and repair parts	636,032	50,000	50,000
5. Services, including equipment maintenance	10,508	10,000	10,000
6. Antiaircraft defense	5,291		
Total reimbursable obligations	775,540	60,000	60,000
Total obligations	134,322,859	136,413,000	146,060,000
Financing:			
Comparative transfers from (−) other accounts	−134,322,859	−136,413,000	
Advances and reimbursements from other accounts			−60,000
Appropriation (new obligational authority)			146,000,000

1. *Command and management.*—This provides for the administrative expenses of the National Guard Bureau (except the air division), civilian salaries, military and civilian travel, printing and reproduction costs at the seat of the Government, and assistance to the States in recruiting.

2. *Training.*—This 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.

3. *Materiel.*—Organizational and individual equipment, and other necessary materiel are procured for unit training.

4. *Supplies and repair parts.*—This provides for the procurement of equipment, supplies and repair parts, publications, and organizational and office supplies.

5. *Services, including equipment maintenance.*—Provision is made for transportation, travel, communication and miscellaneous services for the support of units, an average strength of 17,105 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.

6. *Antiaircraft defense.*—This provides for training and operating expenses (other than military personnel costs) of Army National Guard missile battalions as part of the air defense of the United States. It provides for an average of 3,119 State civilian employees to maintain and secure NIKE on-site positions and equipment in a continuing state of operational readiness. In 1960 all units will be equipped with missiles or be in training for conversion to missile units.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Number of permanent Federal positions	200	188	185
Number of permanent non-Federal positions	19,915	20,111	21,366
Total number of permanent positions	20,115	20,299	21,551
Full-time equivalent of all other positions	229	172	172
Average number of Federal employees	420	354	354
Average number of non-Federal employees	19,341	19,315	20,224
Average number of all employees	19,761	19,669	20,578
Number of Federal employees at end of year	729	600	600
Number of non-Federal employees at end of year	19,551	19,548	21,035
Number of employees at end of year	20,280	20,148	21,635
Average salaries and grades:			
Average GS grade and salary	5.7 $4,621	5.9 $5,250	5.9 $5,263
Average salary of non-Federal positions	$4,707	$4,909	$5,025
Personal service obligations:			
Permanent positions	$928,170	$957,370	$959,710
Positions other than permanent	1,170,334	745,000	739,000
Other personal services	6,374	6,630	10,290
Total civilian, Federal	2,104,878	1,709,000	1,709,000
Total civilian, non-Federal	91,040,485	94,822,000	101,621,000
Total personal service obligations	93,145,363	96,531,000	103,330,000
Direct obligations:			
01 Personal services	93,142,589	96,521,000	103,320,000
02 Travel	2,635,774	3,138,000	3,857,000
03 Transportation of things	2,877,447	3,652,000	3,449,000
04 Communication services	728,077	782,000	813,000
05 Rents and utility services	796,493	566,000	1,154,000
06 Printing and reproduction	85,945	107,000	107,000
07 Other contractual services	8,018,598	7,438,000	7,351,000
08 Supplies and materials	23,405,609	22,428,000	23,320,000
11 Grants, subsidies, and contributions	133,340	160,000	207,000
13 Refunds, awards, and indemnities	1,900		
15 Taxes and assessments	1,721,547	1,561,000	2,422,000
Total direct obligations	133,547,319	136,353,000	146,000,000
Reimbursable obligations:			
01 Personal services	2,774	10,000	10,000
08 Supplies and materials	772,766	50,000	50,000
Total reimbursable obligations	775,540	60,000	60,000
Total obligations	134,322,859	136,413,000	146,060,000

Operation and Maintenance, Air National Guard

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses; establishment, maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard of the several States, Territories, and the District of Columbia; 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; 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; $169,000,000: 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: Provided further, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code: Provided further, That of the amounts certified pursuant to section 1311, of the Supplemental Appropriation Act, 1955 (31 U. S. C. 200), as having been obligated under the appropriations for "Air National Guard," 1958, and "Air National Guard," 1959, such portions thereof as may be determined by the Secretary of Defense to have been obligated for operation and maintenance activities, may hereafter be accounted for under the headings "Operation and maintenance, Air National Guard," 1958, and "Operation and maintenance, Air National Guard," 1959, respectively. (5 U. S. C. 22, 43, 78; 10 U. S. C. 2231–38, 2511, 8012, 8721–23, 9741; 32 U. S. C. 106–07, 320, 701–14; 72 Stat. 664; Department of Defense Appropriation Act, 1959.)

Estimate 1960, [a] **$169,000,000**

[a] Estimate is for activities previously carried under "National Guard personnel, Air Force." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operation and maintenance (total obligations)	$172,839,839	$172,930,000	$169,000,000
Financing:			
Comparative transfers from (−) other accounts	−172,839,839	−172,930,000	
Appropriation (new obligational authority)			169,000,000

This appropriation provides for all operation and maintenance costs of the Air National Guard as a reserve component of the Air Force. This includes funds for the operation of 135 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. During 1960 the Guard will have 2,466 aircraft of which 2,240 will be jets, and will be organized in 24 wings, 83 tactical squadrons, and 512 support units. Funds are also included for supplies and equipment, hospitalization, disposition of deceased personnel, and communication services.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Number of permanent non-Federal positions	14,100	14,080	14,010
Average number of non-Federal employees	12,939	13,370	13,230
Number of non-Federal employees at end of year	13,649	13,230	13,230
Average salary of non-Federal positions	$4,976	$5,308	$5,235
01 Personal services: Civilian non-Federal	$64,384,640	$70,968,000	$69,259,000
02 Travel	1,285,933	1,256,000	1,191,000
03 Transportation of things	2,533,450	2,396,000	2,519,000
04 Communication services	333,559	357,000	352,000
05 Rents and utility services	232,544	203,000	171,000
06 Printing and reproduction	21,647	21,000	25,000
07 Other contractual services	37,085,855	34,343,000	33,087,000
08 Supplies and materials	63,762,142	59,509,000	58,557,000
09 Equipment	1,988,543	2,417,000	2,027,000
15 Taxes and assessments	1,211,526	1,460,000	1,812,000
Total obligations	172,839,839	172,930,000	169,000,000

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] *$21,000* for incidental expenses of the National Board, $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, 1959.*)

Appropriation 1959, **$300,000** Estimate 1960, **$300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Promotion of military marksmanship among civilians (total obligations)	$247,930	$300,000	$300,000
Financing:			
Unobligated balance no longer available	6,070		
Appropriation (new obligational authority)	254,000	300,000	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 4,250 clubs and schools enrolled with the director of civilian marksmanship with a total membership of approximately 226,325, 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 provided for travel of civilian shooting teams to the national matches and in 1960 to the Pan American games.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	17	17	20
Average number of all employees	16	17	19
Number of employees at end of year	17	17	20
Average GS grade and salary	5.3 $4,251	5.3 $4,795	5.1 $4,710
01 Personal services:			
Permanent positions	$70,425	$80,190	$88,778
Other personal services	887	310	722
Total personal services	71,312	80,500	89,500
02 Travel	28,999	73,500	64,000
03 Transportation of things	1,261	3,250	3,500
04 Communication services	722	600	700
07 Other contractual services	14,842	23,000	20,000
08 Supplies and materials	54,504	60,250	59,500
09 Equipment	71,847	54,000	57,000
11 Grants, subsidies, and contributions	4,443	4,900	5,800
Total obligations	247,930	300,000	300,000

Operation and Maintenance, Alaska Communication System, *Army*

[OPERATION AND MAINTENANCE]

For expenses necessary for the operation, maintenance, and improvement of the Alaska Communication System, [including purchase (not to exceed two for replacement only) and hire of passenger motor vehicles, $5,500,000, to remain available until the close of the fiscal year 1960,] *$5,676,000*, 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 station agent agreements may be paid from receipts of the Alaska Communication System. (*47 U. S. C. 16; 48 U. S. C. 310, 311; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$5,500,000** Estimate 1960, **$5,676,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction of telephone, telegraph and cable systems	$299,816		
2. Improvement of fire protection system	43,749		
3. Maintenance and operation of the communication system	5,215,812	$5,693,593	$5,676,000
Total obligations	5,559,377	5,693,593	5,676,000
Financing:			
Unobligated balance brought forward	−34,711	−58,593	
Advances and reimbursements from—			
Other accounts	−28,698		
Non-Federal sources	−4,678		
Recovery of prior year obligations	−5,637		
Unobligated balance carried forward	58,593		
Unobligated balance no longer available	41,754	41,000	
New obligational authority	5,586,000	5,676,000	5,676,000
New obligational authority:			
Appropriation	$5,586,000	$5,500,000	$5,676,000
Proposed supplemental due to pay increases		176,000	

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, ALASKA COMMUNICATION SYSTEM, *ARMY*—Continued

[OPERATION AND MAINTENANCE]—continued

The Alaska Communication System provides internal and external telegraph and long distance telephone service for Alaska. Although proposed legislation authorizing the sale of this system is to be recommended to the Congress, its disposition is not anticipated until after 1960.

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. The 1960 estimate does not provide for the operation and maintenance costs of certain radio communications facilities at Seattle and Anchorage which are being transferred to the Army military network.

In 1958 the value of governmental and commercial use was $7.9 million. The estimated value in 1959 is $8.4 million and in 1960 is $8.7 million. Revenue from commercial customers was $3.8 million in 1958 and is estimated at $4.2 million for 1959 and $4.5 million for 1960. These revenues are deposited to miscellaneous receipts in the Treasury.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	541	587	607
Average number of all employees	478	528	552
Number of employees at end of year	524	584	607
Average GS grade and salary	4.9 $4,212	4.8 $4,536	4.7 $4,539
Average salary of ungraded positions	$7,040	$6,846	$6,858
01 Personal services:			
Permanent positions	$2,436,499	$2,717,080	$2,849,200
Other personal services	293,600	305,520	313,800
Total personal services	2,730,099	3,022,600	3,163,000
02 Travel	109,459	90,000	96,000
03 Transportation of things	110,106	77,000	68,000
04 Communication services	1,161,438	1,400,900	1,256,000
05 Rents and utility services	303,712	285,600	295,000
06 Printing and reproduction	3,963	4,000	4,000
07 Other contractual services	332,824	171,093	172,500
08 Supplies and materials	464,893	418,700	394,500
09 Equipment	190,793	57,700	52,000
11 Grants, subsidies, and contributions	144,342	161,500	170,500
13 Refunds, awards, and indemnities	3,815		
15 Taxes and assessments	3,933	4,500	4,500
Total obligations	5,559,377	5,693,593	5,676,000

SALARIES AND EXPENSES, *SECRETARY OF DEFENSE*

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; [$15,600,000] *$20,500,000*. (*Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$15,600,000** Estimate 1960, [a] **$20,500,000**
Appropriated (adjusted) 1959, **$18,016,000**

[a] Includes $725,000 for activities previously carried under "Salaries and expenses," Office of Public Affairs. The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direction and coordination of defense activities (total obligations)	$17,128,103	$19,518,000	$20,500,000
Financing:			
Comparative transfers from (−) other accounts	−$462,011	−$452,000	
Unobligated balance no longer available	3,908		
New obligational authority	16,670,000	19,066,000	$20,500,000
New obligational authority:			
Appropriation	$15,900,000	$15,600,000	$20,500,000
Transferred from—			
"Emergency fund, Department of Defense" (71 Stat. 313; 72 Stat. 7, 713)	1,000,000	751,000	
"Operation and maintenance, Army" (5 U. S. C. 172f (a))		555,000	
"Marine Corps troops and facilities" (5 U. S. C. 172f (a))		30,000	
"Servicewide operations," Navy (5 U. S. C. 172f (a))		525,000	
"Operation and maintenance, Air Force" (5 U. S. C. 172f (a))		555,000	
Transferred to "Operation and maintenance, Army" (72 Stat. 243)	−230,000		
Appropriation (adjusted)	16,670,000	18,016,000	20,500,000
Proposed supplemental due to pay increases		1,050,000	

The Secretary of Defense serves as the principal assistant to the President on all matters relating to the Department of Defense, which operates under his direction, authority and control. He is assisted in his immediate office by the deputy Secretary of Defense, the director of defense research and engineering, seven assistant secretaries of defense, the general counsel, and such special assistants as are required to advise him in specialized fields. Military advice and assistance is provided by the Joint Chiefs of Staff.

The program contemplates the realinement of the civilian and military staffs of the Secretary of Defense to improve military planning and operations, to concentrate scientific and technological resources on highest priority military needs and to expedite decision-making.

The increase in the appropriation request for the Secretary of Defense is primarily caused by the additional planning and operational functions of the Joint Chiefs of Staff and other measures to strengthen the Secretary's management of the Department of Defense in consonance with the Defense Reorganization Act of 1958. The consolidation and strengthening of staff activities serving the Secretary of Defense represents, to a considerable extent, a transfer of these functions from the three military departments.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,400	1,468	1,431
Full-time equivalent of all other positions	10	17	17
Average number of all employees	1,328	1,373	1,440
Number of employees at end of year	1,379	1,471	1,471
Average GS grade and salary	9.4 $7,321	9.1 $7,752	9.1 $7,856
01 Personal services:			
Permanent positions	$10,304,766	$10,926,900	$11,366,895
Positions other than permanent	127,832	207,600	213,000
Other personal services	281,723	327,000	375,605
Total personal services	10,714,321	11,461,500	11,955,500
02 Travel	834,765	915,000	953,000
03 Transportation of things	8,971	7,500	7,500
04 Communication services	344,868	380,000	421,900
05 Rents and utility services	4,439	20,700	35,000
06 Printing and reproduction	172,317	181,800	222,500
07 Other contractual services	3,901,086	4,771,400	5,555,100
08 Supplies and materials	207,983	225,300	251,800
09 Equipment	288,739	817,600	324,000
11 Grants, subsidies, and contributions	625,434	710,000	741,600
13 Refunds, awards, and indemnities	18,410	20,500	24,100
15 Taxes and assessments	6,770	6,700	8,000
Total obligations	17,128,103	19,518,000	20,500,000

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, COURT OF MILITARY APPEALS, *DEPARTMENT OF DEFENSE*

For salaries and expenses necessary for the Court of Military Appeals, [$380,000] *$425,000. (Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$380,000** Estimate 1960, **$425,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Military justice (total obligations)	$379,451	$408,000	$425,000
Financing:			
Unobligated balance no longer available	7,549		
New obligational authority	387,000	408,000	425,000
New obligational authority:			
Appropriation	$375,000	$380,000	$425,000
Transferred from "Contingencies, Department of Defense" (72 Stat. 243)	12,000		
Appropriation (adjusted)	387,000	380,000	425,000
Proposed supplemental due to pay increases		28,000	

The United States Court of Military Appeals serves as the court of last resort for all of the more serious court-martial convictions of military personnel. The number of cases docketed in 1957 and 1958 totaled 1,535 and 1,630, respectively. Based on the first 3 months of operation, approximately 1,600 cases are anticipated for this fiscal year. The number of opinions released by the court totaled 324 in 1958 and it is estimated that a similar number will be published during 1959. The court is maintaining a current docket with the review completed, as of September 1958, in 12,146 cases out of 12,402 cases filed since the court's establishment in 1951 leaving a balance of 256 under review.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	42	43	43
Average number of all employees	40	41	43
Number of employees at end of year	42	43	43
Average GS grade and salary	8.1 $6,225	8.3 $7,040	8.4 $7,196
01 Personal services:			
Permanent positions	$315,791	$346,125	$359,320
Other personal services	1,273	1,875	3,380
Total personal services	317,064	348,000	362,700
02 Travel	6,413	6,500	6,500
03 Transportation of things	5		
04 Communication services	9,349	9,000	9,000
06 Printing and reproduction	8,707	8,500	8,500
07 Other contractual services	7,161	5,000	5,000
08 Supplies and materials	4,161	4,000	4,000
09 Equipment	7,973	6,000	7,500
11 Grants, subsidies, and contributions	18,065	20,100	20,900
13 Refunds, awards, and indemnities		500	500
15 Taxes and assessments	553	400	400
Total obligations	379,451	408,000	425,000

[AIRCRAFT AND FACILITIES] (NAVY)

[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; $837,868,000: *Provided,* That $945,000 of the foregoing amount shall be transferred to the appropriation "Salaries and expenses, Weather Bureau, Department of Commerce", fiscal year 1959.] *(10 U. S. C. 5011–12, 5031, 7203, 7205; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$837,868,000**

NOTE.—Estimate of $873,000,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Operation and maintenance, Navy"	$863,074,000
"Research, development, test, and evaluation, Navy"	9,926,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$878,159,177	$888,140,000	
Unobligated balance brought forward (69 Stat. 438)		−10,000,000	
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other accounts	−27,752,484		
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−98,278	−80,000	
Other accounts	−24,635,515	−31,588,000	
Non-Federal sources (5 U. S. C. 61b; 10 U. S. C. 2481, 2667; 22 U. S. C. 1816)	−1,841,196	−1,600,000	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−755,000	
Unobligated balance carried forward (69 Stat. 438)	10,000,000		
Unobligated balance no longer available	12,012,947		
New obligational authority	845,844,651	844,117,000	
New obligational authority:			
Appropriation	$857,744,651	$837,868,000	
Transferred to "Emergency fund, Department of Defense" (71 Stat. 313)	−11,900,000		
Appropriation (adjusted)	845,844,651	837,868,000	
Proposed supplemental due to pay increases		6,249,000	

[CIVIL ENGINEERING] (NAVY)

[For expenses necessary for maintenance and operation of district public works offices, public works centers, construction battalion centers, 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 eighteen hundred and eighty-seven passenger motor vehicles for replacement only and hire of passenger motor vehicles; engineering services; industrial mobilization; and departmental salaries; $125,554,000.] *(5 U. S. C. 78; 10 U. S. C. 5031, 7212; 42 U. S. C. 1501–5; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$125,554,000**

NOTE.—Estimate of $130,700,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Operation and maintenance, Navy"	$130,217,000
"Research, development, test, and evaluation, Navy"	483,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$164,969,148	$175,400,246	
Unobligated balance brought forward (69 Stat. 438)	−4,527,565	−1,757,967	−$1,755,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from other accounts	−73,792	−1,420,279	1,755,000
Advances and reimbursements from—			
Deliveries of materiels common to U. S. requirements ordered by military assistance in current year	−163,951	−23,000	
Other accounts	−28,125,926	−41,616,000	
Non-Federal sources (10 U. S. C. 2481)	−511,642	−1,200,000	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−1,611,994	−2,232,000	
Unobligated balance carried forward (69 Stat. 438)	1,757,967	1,755,000	
Unobligated balance no longer available	56,558		
New obligational authority	131,768,803	128,906,000	

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$135,398,803	$125,554,000	
Transferred to "Emergency fund, Department of Defense" (71 Stat. 313)	−3,630,000		
Appropriation (adjusted)	131,768,803	125,554,000	
Proposed supplemental due to pay increases		3,352,000	

[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; $173,117,000.] *(5 U. S. C. 55a; 10 U. S. C. Subtitle C; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$173,117,000**
Appropriated (adjusted) 1959, **$173,087,000**

NOTE.—Estimate of $172,800,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Operation and maintenance, Navy"	$172,000,000
"Research, development, test, and evaluation, Navy"	800,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$178,531,221	$184,266,000	
Unobligated balance brought forward (69 Stat. 438)	−4,067,517	−3,732,983	−$5,548,276
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other accounts	1,321,957	829,707	5,548,276
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−425	−620,000	
Other accounts	−4,674,101	−5,350,000	
Non-Federal sources (10 U. S. C. 2481, 7581)	−1,332,122	−2,329,000	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−1,467,546	−5,525,000	
Unobligated balance carried forward (69 Stat. 438)	3,732,983	5,548,276	
Unobligated balance no longer available	1,363,550		
New obligational authority	173,408,000	173,087,000	
New obligational authority:			
Appropriation	$178,408,000	$173,117,000	
Transferred to—			
"United States scientific satellite" (71 Stat. 428)	−5,000,000		
"Salaries and expenses, Secretary of Defense" (5 U. S. C. 172f (a))		−30,000	
Appropriation (adjusted)	173,408,000	173,087,000	

[Medical Care] (Navy)

[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; $89,598,000.] *(10 U. S. C. 1481, et seq., 6201–6203; 24 U. S. C. 14a, 15, 34, 35; 37 U. S. C. 401 et seq.; 24 U. S. C. 14a, 15, 34, 35; 10 U. S. C. 6201; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$89,598,000**

NOTE.—Estimate of $99,250,000 for activities previously carried under this title has been transferred in the estimates to "Operation and maintenance, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$115,241,261	$113,489,000	
Obligations in excess of available funds	−6,881,703		
Advances and reimbursements from—			
Other accounts	−19,744,466	−21,127,000	
Non-Federal sources (10 U. S. C. 1071–1085)	−2,758,092	−2,550,000	
New obligational authority	85,857,000	89,812,000	
New obligational authority:			
Appropriation	$85,200,000	$89,598,000	
Transferred from "Contingencies, Department of Defense" (72 Stat. 243)	657,000		
Appropriation (adjusted)	85,857,000	89,598,000	
Proposed supplemental due to pay increases		214,000	

[Naval Petroleum Reserves]

[For expenses necessary for exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves, as authorized by law, $1,683,000.] *(10 U. S. C. 7421–38; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$1,683,000**

NOTE.—Estimate of $2,125,000 for activities previously carried under this title has been transferred in the estimates to "Operation and maintenance, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$812,997	$1,683,000	
Unobligated balance no longer available	12,003		
Appropriation (new obligational authority)	825,000	1,683,000	

[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; and departmental salaries; $85,442,000.] *(10 U. S. C. 5011–13; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$85,442,000**

NOTE.—Estimate of $94,000,000 for activities previously carried under this title has been transferred in the estimates to "Operation and maintenance, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

[NAVY PERSONNEL, GENERAL EXPENSES]—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$90,506,491	$95,177,000	
Unobligated balance brought forward (69 Stat. 438)	−3,993,982	−4,217,469	−$2,496,367
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other accounts	5,800	238,102	2,496,367
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−82,197	−150,000	
Other accounts	−3,984,132	−3,995,000	
Non-Federal sources (5 U. S. C. 61b; 10 U. S. C. 2481)	−106,570	−110,000	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−1,690,987	−1,367,000	
Unobligated balance carried forward (69 Stat. 438)	4,217,469	2,496,367	
Unobligated balance no longer available	374,108		
New obligational authority	85,246,000	88,072,000	
New obligational authority:			
Appropriation	$87,946,000	$85,442,000	
Transferred to—			
"United States scientific satellite" (71 Stat. 426)	−2,000,000		
"Emergency fund, Department of Defense" (71 Stat. 313)	−700,000		
Appropriation (adjusted)	85,246,000	85,442,000	
Proposed supplemental due to pay increases		2,630,000	

[ORDNANCE AND FACILITIES] (NAVY)

[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 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; $149,850,000.] *(31 U. S. C. 638; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$149,850,000**

NOTE.—Estimate of $143,000,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Operation and maintenance, Navy"	$141,889,000
"Research, development, test and evaluation, Navy"	1,111,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$164,710,449	$166,810,000	
Unobligated balance brought forward (69 Stat. 438)		−314,048	−$1,875,048
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from (−) or to other accounts	−838,954		1,875,048
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−230,000	
Other accounts	−6,726,996	−13,100,000	
Non-Federal sources	−240,612	−100,000	
Anticipated reimbursements for future deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−1,000,000	−2,145,000	
Unobligated balance carried forward (69 Stat. 438)	314,048	1,875,048	
Unobligated balance no longer available	2,954,508		
New obligational authority	159,172,443	152,796,000	

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$165,172,443	$149,850,000	
Transferred to "United States scientific satellite" (71 Stat. 428)	−6,000,000		
Appropriation (adjusted)	159,172,443	149,850,000	
Proposed supplemental due to pay increases		2,946,000	

[SERVICEWIDE OPERATIONS] (NAVY)

[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 $11,961,000 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: $118,985,000.] *(10 U. S. C. 7202, 7208, 7391–6; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$118,985,000**
Appropriated (adjusted) 1959, **$117,993,000**

NOTE.—Estimate of $134,000,000 for activities previously carried under this title has been transferred in the estimates to "Operation and maintenance, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$110,814,666	$137,014,000	
Advances and reimbursements from—			
Other accounts	−4,469,536	−13,392,000	
Non-Federal sources (10 U. S. C. 2481)	−962,390	−303,000	
Unobligated balance no longer available	1,239,460		
New obligational authority	106,622,200	123,319,000	
New obligational authority:			
Appropriation	$109,222,200	$118,985,000	
Transferred to—			
"Emergency fund, Department of Defense" (71 Stat. 313)	−2,600,000		
"Operating expenses, National Archives and Records Service," General Services Administration (5 U. S. C. 630e)		−467,000	
"Salaries and expenses, Secretary of Defense" (5 U. S. C. 172f (a))		−525,000	
Appropriation (adjutsed)	106,622,200	117,993,000	
Proposed supplemental due to pay increases		5,326,000	

[SERVICEWIDE SUPPLY AND FINANCE] (NAVY)

[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; $309,637,000.] *(10 U. S. C. 5131 (6); Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$309,637,000**

NOTE.—Estimate of $317,000,000 for activities previously carried under this title has been transferred in the estimates to "Operation and maintenance, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$315,553,077	$342,813,856	
Unobligated balance brought forward (69 Stat. 438)	−747,594	−389,856	−$200,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other accounts			200,000
Advances and reimbursements from—			
Deliveries of material common to U. S. requirements ordered by military assistance in current year		−20,000	
Other accounts	−14,878,069	−18,105,000	
Non-Federal sources (10 U. S. C. 2633)	−460,034	−500,000	
Anticipated reimbursements for future year deliveries of material common to U. S. requirements ordered by military assistance in current year		−212,000	
Unobligated balance carried forward (69 Stat. 438)	389,856	200,000	
Unobligated balance no longer available	1,203,764		
New obligational authority	301,061,000	323,787,000	
New obligational authority:			
Appropriation	$300,000,000	$309,637,000	
Transferred from "Contingencies, Department of Defense" (72 Stat. 243)	6,561,000		
Transferred to "United States scientific satellite" (71 Stat. 426)	−5,500,000		
Appropriation (adjusted)	301,061,000	309,637,000	
Proposed supplemental due to pay increases		14,150,000	

[Ships and Facilities] (Navy)

[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 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; $780,408,000, of which $16,885,000 shall be transferred to the appropriation "Operating Expenses", 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, 1959.*)

Appropriated 1959, **$780,408,000**

NOTE.—Estimate of $871,000,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Operation and maintenance, Navy"	$849,637,000
"Research, development, test, and evaluation, Navy"	21,363,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$827,639,500	$820,567,000	
Unobligated balance brought forward (69 Stat. 438)	−6,005,715	−7,313,253	−$10,092,438
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from (−) other accounts	−270,481	618,815	10,092,438
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−217,640	−5,506,000	
Other accounts	−15,035,366	−19,856,000	
Non-Federal sources (10 U. S. C. 2481, 2665, 7367; 31 U. S. C. 489a)	−685,218	−4,400,000	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−2,574,210	−6,392,000	
Unobligated balance carried forward (69 Stat. 438)	7,313,253	10,092,438	
Unobligated balance no longer available	10,719,386		
New obligational authority	820,883,509	787,811,000	

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$821,783,509	$780,408,000	
Transferred to "Emergency fund, Department of Defense" (71 Stat. 313)	−900,000		
Appropriation (adjusted)	820,883,509	780,408,000	
Proposed supplemental due to pay increases		7,403,000	

[Office of Public Affairs]

[Salaries and Expenses]

[For salaries and expenses necessary for the Office of Public Affairs, $417,000.] (*Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$417,000**

NOTE.—Estimate of $725,000 for support of activities under this title have been transferred in the estimates to "Salaries and expenses, Secretary of Defense."

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$462,011	$452,000	
Unobligated balance no longer available	3,989		
New obligational authority	466,000	452,000	
New obligational authority:			
Appropriation	$450,000	$417,000	
Transferred from "Contingencies, Department of Defense" (72 Stat. 243)	16,000		
Appropriation (adjusted)	466,000	417,000	
Proposed supplemental due to pay increases		35,000	

Preparation for Sale or Salvage of Military Property, Army

(Indefinite special fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Operating expense	$20,383,580		
2. Procurement of equipment	217,892		
Total direct obligations	20,601,472		
Reimbursable obligations:			
1. Operating expenses	79,924		
Total obligations	20,681,396		
Financing:			
Advances and reimbursements from—			
Other accounts	−16,124		
Non-Federal sources (64 Stat. 44)	−63,800		
Appropriation (new obligational authority)	20,601,472		

Object Classification

Total number of permanent positions		3,241	
Full-time equivalent of all positions		4	
Average number of all employees		3,134	
Number of employees at end of year		3,411	
Average GS grade and salary	4.9	$4.105	
Average salary of ungraded positions		$4,576	
Direct obligations:			
01 Personal services:			
Permanent positions		$13,329,139	
Positions other than permanent		13,733	
Other personal services		179,232	
Total personal services		13,522,104	
02 Travel		93,700	
03 Transportation of things		589,138	

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

PREPARATION FOR SALE OR SALVAGE OF MILITARY PROPERTY, ARMY—Continued

(Indefinite special fund)—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Direct Obligations—Continued			
04 Communication services	$1,463		
05 Rents and utility services	10,527		
06 Printing and reproduction	28,745		
07 Other contractual services	4,491,058		
08 Supplies and materials	1,028,329		
09 Equipment	217,892		
11 Grants, subsidies, and contributions	600,007		
12 Pensions, annuities, and insurance claims	11		
13 Refunds, awards, and indemnities	13,452		
15 Taxes and assessments	5,046		
Total direct obligations	20,601,472		
Reimbursable obligations:			
07 Other contractual services	79,924		
Total obligations	20,681,396		

PREPARATION FOR SALE OR SALVAGE OF MILITARY PROPERTY, NAVY

(Indefinite special fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Operating expense	$13,621,629		
2. Procurement of equipment	36,185		
Total obligations	13,657,814		
Financing:			
Appropriation (new obligational authority)	13,657,814		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,129		
Average number of all employees	1,920		
Number of employees at end of year	2,040		
Average GS grade and salary	4.9 $4,196		
Average salary of ungraded positions	$4,448		
01 Personal services:			
Permanent positions	$8,151,147		
Other personal services	169,264		
Total personal services	8,320,411		
03 Transportation of things	1,091		
07 Other contractual services	3,072,220		
08 Supplies and materials	1,746,051		
09 Equipment	54,646		
11 Grants, subsidies, and contributions	459,578		
15 Taxes and assessments	3,817		
Total obligations	13,657,814		

PREPARATION FOR SALE OR SALVAGE OF MILITARY PROPERTY, AIR FORCE

(Indefinite special fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Operating expense	$7,091,122		
2. Procurement of equipment	1,172,581		
Total obligations	8,263,703		
Financing:			
Appropriation (new obligational authority)	8,263,703		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,414		
Average number of all employees	1,266		
Number of employees at end of year	1,414		
Average GS grade and salary	4.4 $4,108		
Average salary of ungraded positions	$3,415		
01 Personal services:			
Permanent positions	$4,550,179		
Other personal services	721,191		
Total personal services	5,271,370		
02 Travel	125,612		
03 Transportation of things	60,344		
04 Communication services	20,616		
05 Rents and utility services	50,312		
07 Other contractual services	898,880		
Labor contracts with foreign governments [1]	358,995		
08 Supplies and materials	160,187		
09 Equipment	1,172,581		
11 Grants, subsidies, and contributions	136,340		
15 Taxes and assessments	11,331		
Subtotal	8,266,568		
Deduct quarters and subsistence charges	2,865		
Total obligations	8,263,703		

[1] Average number of employees—1958, 263.

Beginning with 1959 the activity previously financed by the above three accounts is reflected as reimbursements to appropriations for operation and maintenance in accordance with the general provisions contained in the Department of Defense Appropriation Act, 1959.

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Agricultural Trade Development and Assistance Act of 1954

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Inter-American geodetic surveys (Army) (total obligations)	$16,296	$275,654	$45,000
Financing:			
Unobligated balance brought forward		−2,216,019	−1,984,365
Unobligated balance carried forward	2,216,019	1,984,365	1,939,365
Authorization to expend foreign currency receipts pursuant to 7 U. S. C. 1704	2,232,315	44,000	

The Department of Defense is authorized to procure military equipment, materials, facilities and services for the common defense with foreign currencies derived from the sale of surplus agricultural commodities pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454). Under this authority, the Department of the Army supplements funds appropriated to support the cooperative United States-Latin American mapping program, the inter-American geodetic survey. The objective of the program is the expeditious accomplishment of the cartographic aerial photography and ground control by the military services, United States commercial and South American agencies, progressing to a balanced cartographic operation with limited participation in compilation and reproduction phases by the United States.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$16,296	$275,654	$45,000

Status of Unfunded Allocations

Unfunded balance, start of year		$2,213,392	$1,987,392
Allocations	$2,232,315	44,000	
Unfunded balance, end of year	−2,213,292	−1,987,392	−1,939,365
Transfers into Defense accounts	19,023	270,000	48,027

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Analysis of Expenditures

	1958 actual	1959 estimate	1960 estimate
Obligated balance, start of year		$6,880	$17,534
Obligations incurred during year	$16,296	275,654	45,000
Obligated balance, end of year	−6,880	−17,534	−2,534
Expenditures	9,416	265,000	60,000

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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Berlin Magistrat:			
Tactical forces	$7,605,429	$6,572,552	$6,572,552
Training activities	10,641	9,000	9,000
Central supply activities	1,583,826	1,690,714	1,690,714
Medical activities	736,074	721,668	721,668
Servicewide activities	1,301,724	1,390,877	1,390,877
Operational support	2,155,946	2,268,253	2,268,253
Claims	228,929	31,191	31,191
Construction	4,227,346	3,629,905	3,629,905
Total obligations	17,849,915	16,314,160	16,314,160
Financing:			
Comparative transfers to—			
"Operation and maintenance, Army":			
Tactical forces	17,569,540		
Training activities	661,597		
Central supply activities	6,524,614		
Major overhaul and maintenance of material	1,672,733		
Medical activities	2,194,717		
Armywide activities	2,494,641		
"Operation and maintenance, Air Force":			
Operational support	6,272,848		
Medical support	316,459		
Servicewide support	89,791		
"Claims, Department of Defense"	2,399,092		
Reserve for claims		9,694,055	
Unapplied costs	2,497,718		
Value of goods and services provided by foreign governments without charge to appropriations	60,543,665	26,008,215	16,314,160

Object Classification—Without Purchase

	1958 actual	1959 estimate	1960 estimate
Object distribution of goods and services provided by foreign governments:			
02 Travel	$139,828	$54,000	$54,000
03 Transportation of things	732,908	52,000	52,000
04 Communication services	179,905	48,000	48,000
05 Rents and utility services	578,343	308,000	308,000
07 Other contractual services	4,630,967	1,079,301	1,079,301
Labor provided by Federal Republic of Germany and Berlin Magistrat [1]	40,019,100	10,129,572	10,129,572
08 Supplies and materials	4,603,334	1,439,477	1,439,477
09 Equipment	826,418	262,000	262,000
10 Lands and structures	3,527,652	2,910,619	2,910,619
11 Grants, subsidies, and contributions	22,300	31,191	31,191
13 Refunds, awards, and indemnities	5,282,910	9,694,055	
Total object distribution of goods and services provided by foreign governments without charge to appropriation	60,543,665	26,008,215	16,314,160

[1] Average number of foreign nationals rendering services under contract 1958, 25,458; 1959, 6,420; 1960, 6,420.

Allocations Received by Department of Defense 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.
"Operating expenses," Atomic Energy Commission.
"Plant acquisition and construction," Atomic Energy Commission.
"Plant and equipment, National Bureau of Standards."
"Acquisition and construction of radio facilities," United States Information Agency.
"Research and development," Office of Civil and Defense Mobilization.
"Civil defense procurement fund," Office of Civil and Defense Mobilization.
"Operating expenses, Public Buildings Service," General Services Administration.
"Salaries and expenses," Agricultural Research Service, Department of Agriculture.
"Commodity Credit Corporation funds," Department of Agriculture.
"Acquisition, construction, and improvements," Coast Guard.
"Salaries and expenses," American Battle Monuments Commission.
"International Geophysical Year," National Science Foundation.
"Operating expenses," Coast Guard.

Permanent authorizations:

Ships' Stores Profits, Navy

(Indefinite special fund)

Appropriated (est.) 1959, **$8,800,000** Estimate 1960, **$9,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Welfare and recreation (total obligations)	$8,902,449	$8,800,000	$9,000,000
Financing:			
Unobligated balance brought forward	−2,303,040	−1,849,692	−1,849,692
Unobligated balance carried forward	1,849,692	1,849,692	1,849,692
Appropriation (new obligational authority)	8,449,101	8,800,000	9,000,000

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

	1958 actual	1959 estimate	1960 estimate
08 Supplies and materials	$8,902,449	$8,800,000	$9,000,000

Proposed for later transmission:

Operation and Maintenance, Army

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Tactical forces		$4,800,000	
2. Central supply activities		13,600,000	
3. Armywide activities		6,600,000	
Total obligations		25,000,000	
Financing:			
Proposed supplemental appropriation		25,000,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to provide funds to finance additional costs incurred for activities which arose as a result of emergency operations in Lebanon.

Aircraft and Facilities, Navy

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Flight operations, Regular Navy		$4,232,000	
2. Aircraft overhaul		8,202,000	
3. Station operations, Regular Navy		775,000	
4. Supporting equipment, materiel and services		542,000	
Total obligations		13,751,000	
Financing:			
Proposed supplemental appropriation		13,751,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated for 1959 to finance the unbudgeted costs of emergency deployments and accelerated opera-

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OPERATION AND MAINTENANCE—Continued

Proposed for later transmission—Continued

AIRCRAFT AND FACILITIES, NAVY—Continued

tions of Naval and Marine aviation forces incident to the Lebanon and Taiwan crises and unbudgeted costs for support of Operation Deepfreeze.

CIVIL ENGINEERING, NAVY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maintenance and operation of shore establishments		$135,000	
2. Construction battalion support		245,000	
Total obligations		380,000	
Financing:			
Proposed supplemental appropriation		380,000	

Under existing legislation, 1959.—This supplemental appropriation for 1959 is required for "out-of-pocket" expenses incurred in connection with the recent Lebanon crisis and unbudgeted costs for support of Operation Deepfreeze.

MEDICAL CARE, NAVY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Medical services, supplies, and equipment at other facilities		$564,000	
2. Medical care in nonnaval facilities		7,457,000	
Total obligations		8,021,000	
Financing:			
Proposed supplemental appropriation		8,021,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to provide funds for the Lebanon and Taiwan crises, increased costs of the dependents' medical care program, increased utilization of other Federal medical facilities, and increases in interdepartmental hospitalization rates.

ORDNANCE AND FACILITIES, NAVY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance of ordnance and ammunition (total obligations)		$1,300,000	
Financing:			
Proposed supplemental appropriation		1,300,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to provide funds to cover additional costs involved as a result of the Lebanon and Taiwan crises.

SERVICEWIDE OPERATIONS, NAVY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Servicewide communications (total obligations)		$400,000	
Financing:			
Proposed supplemental appropriation		400,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to provide funds to support emergency requirements for improved communications to the operating forces during the Lebanon and Taiwan crises.

SERVICEWIDE SUPPLY AND FINANCE, NAVY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Supply distribution		$960,000	
2. Commodity control		1,203,000	
Total obligations		2,163,000	
Financing:			
Proposed supplemental appropriation		2,163,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to provide funds to support increased supply workload resulting from the Lebanon and Taiwan crises.

SHIPS AND FACILITIES, NAVY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maintenance and operation of the active fleet		$8,958,000	
2. Active fleet alterations and improvements		235,000	
3. Procurement of maintenance material		2,465,000	
4. Fleet support facilities		939,000	
Total obligations		12,597,000	
Financing:			
Proposed supplemental appropriation		12,597,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to provide funds for additional costs incurred during the crises in Lebanon and Taiwan, and unbudgeted costs for support of Operation Deepfreeze.

PROCUREMENT

The procurement appropriations of the Department of Defense finance the acquisition of capital equipment, such as ships, aircraft, missiles, combat vehicles, and communications; major items of support for the capital equipment when it is in service; the industrial facilities necessary to produce that equipment; and modification of older equipment where feasible to provide a means of

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modernization in lieu of buying new equipment. The capital equipment financed by these appropriations is either procured from private contractors or produced in Government arsenals, shipyards, and plants.

The estimates for the procurement appropriations in 1960 reflect changes in appropriation coverage whereby a substantial portion of the amounts formerly included for development, test, and evaluation has been shifted to the new appropriations for research, development, test, and evaluation. The estimated amounts for items identified as development, test, and evaluation support remaining in the procurement appropriations in the 1960 budget are shown separately from the amounts for procurement of items for service use or inventory.

In addition to the Department of Defense-wide changes, the Air Force appropriations Aircraft, missiles, and related procurement, and Procurement other than aircraft and missiles, have been realined in three procurement appropriations: Aircraft procurement; Missile procurement; and Other procurement. The realinement provides financing not only for prime equipment items mentioned in the titles, but also for specialized ground equipment needed to support them in the same appropriation.

The 1960 procurement program of the Department of Defense continues the large scale procurement and production of new weapons in support of the basic military missions of the armed services. Direct obligations for procurement and production are estimated as follows:

PROCUREMENT AND PRODUCTION

[In thousands]

	For service use or inventory			*For development, test, and evaluation support*			*Total*		
	1958 actual	*1959 estimate*	*1960 estimate*	*1958 actual*	*1959 estimate*	*1960 estimate*	*1958 actual*	*1959 estimate*	*1960 estimate*
Aircraft	$8,123,279	$6,850,887	$6,065,331	$221,467	$476,396	$729,887	$8,344,746	$7,327,283	$6,795,218
Missiles	1,756,134	2,849,107	2,701,562	1,367,294	1,253,678	1,062,275	3,123,428	4,102,785	3,763,837
Ships	1,760,246	1,930,208	1,719,279	---	---	---	1,760,246	1,930,208	1,719,279
Other	1,859,737	2,223,450	2,589,454	67,202	91,593	51,239	1,926,939	2,315,043	2,640,693
Total	13,499,396	13,853,652	13,075,626	1,655,963	1,821,667	1,843,401	15,155,359	15,675,319	14,919,027

Current authorizations:

PROCUREMENT OF EQUIPMENT AND MISSILES, *ARMY*

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 not to exceed [forty] *one thousand three hundred and fifty-nine* passenger motor vehicles for replacement only (*including twenty at not to exceed $2,900 each*); 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; [$1,669,338,000] *$1,024,700,000*, 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, 1959.*)

Appropriated 1959, **$1,669,338,000** Estimate 1960, [a] **$1,024,700,000**
Appropriated (adjusted) 1959, **$1,711,548,000**

[a] Excludes $459,300,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Army." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Major equipment	$532,289,434	$545,414,000	$758,392,000
2. Ammunition and missiles	671,562,985	693,189,000	538,308,000
3. Industrial mobilization	109,429,581	67,900,000	76,000,000
Total direct obligations	1,313,282,000	1,306,503,000	1,372,700,000
Reimbursable obligations:			
1. Major equipment	238,177,655	172,000,000	65,000,000
2. Ammunition and missiles	482,476,410	334,000,000	132,600,000
Total reimbursable obligations	720,654,065	506,000,000	197,600,000
Total obligations	2,033,936,065	1,812,503,000	1,570,300,000
Financing:			
Comparative transfers to other accounts	289,818,000	368,497,000	---
Unobligated balance brought forward	−1,595,890,882	−441,505,585	−459,896,390
Unobligated balance transferred to "Research, development, test, and evaluation, Army" (1960 appropriation act)	---	---	10,000,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other Army accounts	---	53,157,195	---
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−2,257,540	−40,000,000	---
Other accounts	−298,526,993	−289,000,000	−162,600,000
Non-Federal sources (5 U. S. C. 172d-1)	−125,870,465	−10,000,000	−10,000,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−$603,445,238	−$127,000,000	−$35,000,000
Recovery of prior year obligations	−119,268,532	−75,000,000	−50,000,000
Unobligated balance carried forward	441,505,585	459,896,390	161,896,390
New obligational authority	20,000,000	1,711,548,000	1,024,700,000
New obligational authority:			
Appropriation	---	$1,669,338,000	$1,024,700,000
Transferred from—			
"Military personnel, Army" (72 Stat. 7)	$20,000,000	---	---
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 711)	---	42,210,000	---
Appropriation (adjusted)	20,000,000	1,711,548,000	1,024,700,000

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.

1. *Major equipment.*—Provision is made for procurement of weapons and vehicles actually used for combat, such as 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 produc-

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PROCUREMENT—Continued

Current authorizations—Continued

PROCUREMENT OF EQUIPMENT AND MISSILES, *ARMY*—Continued

tion, 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.

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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY			
Total number of permanent positions	5,889	4,988	4,382
Average number of all employees	5,678	4,954	4,356
Number of employees at end of year	5,461	4,996	4,380
Average GS grade and salary	8.1 $6,061	8.1 $6,622	8.2 $6,616
Average salary of ungraded positions	$4,962	$5,461	$5,461
Direct obligations:			
01 Personal services:			
Permanent positions	$33,735,128	$31,475,000	$27,836,000
Other personal services	2,462,446	2,634,000	2,155,000
Total personal services	36,197,574	34,109,000	29,991,000
02 Travel	1,456,895	1,157,000	1,241,000
03 Transportation of things	14,397,244	11,570,000	12,409,000
04 Communication services	169,743	118,000	138,000
06 Printing and reproduction	4,440	4,000	4,000
07 Other contractual services	339,121,465	285,148,000	306,071,000
08 Supplies and materials	729,704,255	585,191,000	627,584,000
09 Equipment	157,767,856	341,794,000	369,593,000
10 Lands and structures	17,536,844	14,013,000	15,028,000
11 Grants, subsidies, and contributions	744,846	528,000	503,000
15 Taxes and assessments	106,519	129,000	138,000
Total direct obligation	1,297,207,681	1,273,761,000	1,362,700,000
Reimbursable obligations:			
03 Transportation of things	14,413,081	10,913,696	
08 Supplies and materials	252,228,922	175,989,682	60,000,000
09 Equipment	449,208,285	305,526,948	124,166,000
Total reimbursable obligations	715,850,288	492,430,326	184,166,000
Total, Army	2,013,057,969	1,766,191,326	1,546,866,000
ALLOCATION ACCOUNTS			
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	7.9 $5,908		
01 Personal services: Permanent positions	$9,430		
02 Travel	1,119		
03 Transportation of things	13		
04 Communication services	79		
07 Other contractual services	20,865,342	46,311,674	23,434,000
08 Supplies and material	1,741		
11 Grants, subsidies, and contributions	372		
Total allocation accounts	20,878,096	46,311,674	23,434,000
Total obligations	2,033,936,065	1,812,503,000	1,570,300,000
Obligations are distributed as follows:			
Army	$2,013,057,969	$1,766,191,326	$1,546,866,000
Atomic Energy Commission	20,860,523	46,311,674	23,434,000
Bureau of Mines, Department of the Interior	17,573		

AIRCRAFT AND RELATED PROCUREMENT, *NAVY*

For construction, procurement, and modernization of aircraft, missiles, and equipment, including ordnance, spare parts, and 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; [$2,033,795,000] *$1,950,294,000*, to remain available until expended. (*10 U. S. C. 7341; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$2,033,795,000** Estimate 1960, [a] **$1,950,294,000**

[a] Excludes $39,706,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Aircraft and related equipment	$2,010,323,587	$1,767,637,870	$1,675,651,000
2. Missiles, drones, and related equipment	165,877,759	204,116,000	113,225,000
3. Training equipment	22,583,571	33,500,000	30,000,000
4. Aircraft modernization	89,188,694	230,000,000	160,000,000
5. Ground electronics and detection equipment	20,174,000	38,690,000	33,800,000
6. Development, test, and evaluation support	45,969,753	70,510,400	107,862,000
Total direct obligations	2,354,117,364	2,344,454,270	2,120,538,000
Reimbursable obligations:			
1. Aircraft and related equipment	62,666,571	56,100,000	16,129,000
3. Training equipment	1,324,429		
5. Ground electronics and detection equipment	454,000		
Total reimbursable obligations	64,445,000	56,100,000	16,129,000
Total obligations	2,418,562,364	2,400,554,270	2,136,667,000
Financing:			
Comparative transfers to other accounts	9,269,000	25,498,730	
Unobligated balance brought forward	−1,790,263,239	−1,464,696,801	−1,288,432,592
Unobligated balance transferred to "Research, development, test, and evaluation, Navy" (1960 appropriation act)			3,502,175
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other accounts	27,885,238	1,235,209	
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−3,700,000	
Other accounts	−12,827,534	−5,000,000	−5,000,000
Non-Federal sources (22 U. S. C. 1816)	−2,097,696		
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−92,722,578	−33,529,000	−20,000,000
Recovery of prior year obligations	−185,502,356	−175,000,000	−100,000,000
Unobligated balance carried forward	1,464,696,801	1,288,432,592	1,223,557,417
Appropriation (new obligational authority)	1,837,000,000	2,033,795,000	1,950,294,000

This appropriation finances the procurement of aircraft, guided missiles, and supporting equipment for the Navy and Marine Corps. It also provides for necessary safety-of-flight and operational modifications to service aircraft as well as the procurement and modernization of ground electronics equipment required for aircraft and missile operations. The funds requested permit carrying out a 1960 program costing $2,062.3 million compared to $1,819.2 million for 1959 and $2,015.3 million for 1958.

1. *Aircraft and related equipment.*—This activity finances procurement of 668 new aircraft to support 16 attack carrier air groups; 22 antisubmarine warfare squadrons; 42 patrol, reconnaissance, and warning squadrons; and 3 Marine air wings together with supporting components and spare parts. Procurement requirements for new aircraft are based upon projected aircraft operating programs and replacement of losses caused by attrition and obsolescence. Modernization of the attack force continues with procurement of quantities of light attack planes, initial production of a new high performance low-level attack plane and a new and powerful supersonic heavy attack plane. In addition to continued production of the current models of supersonic fighters, increased quantities of

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greatly improved all-weather supersonic fighters are being procured. Further, greatly improved versions of patrol and search aircraft are provided for increased effectiveness in antisubmarine warfare.

2. *Missiles, drones, and related equipment.*—This activity provides for the procurement of guided missiles for fleet outfitting, training, and related projects such as target drone procurement and missile industrial facilities. The 1960 estimate provides operational SPARROW III and BULLPUP missiles for use against other aircraft and surface targets.

3. *Training equipment.*—Operational flight trainers, specialized maintenance trainers, and other training aids are financed by this activity in phase with the procurement of aircraft and missiles under activities 1 and 2.

4. *Aircraft modernization.*—Incorporation in fleet aircraft of the most modern and effective antisubmarine search and detection equipment available has received primary emphasis in the 1960 program. Other provisions include the funding of mandatory safety-of-flight improvements and the installation of advanced electronic countermeasures equipment in operational aircraft.

5. *Ground electronics and detection equipment.*—Provision is made for procurement and installation of ground-installed communications and terminal navigational aid devices for Naval and Marine Corps air stations. Procurement is phased in relation to Navy and Marine Corps aircraft operational requirements.

This activity also provides for procurement of air-droppable submarine detection buoys used in airborne antisubmarine operations. The 1960 estimate provides for replacement of buoys consumed in operational efficiency training of pilots and crews and initiates augmentation of mobilization reserve quantities.

6. *Development, test, and evaluation support.*—This activity provides for procurement of equipment under test and development prior to quantity procurement for service use. It includes guided missiles to be expended in the missile development program, such as EAGLE and CORVUS, and other equipment procurement such as small quantities of newly developed jet engines used for qualification testing and antisubmarine equipment with improved detection capability.

Object Classification

	1958 actual	1959 estimate	1960 estimate
AIRCRAFT AND RELATED PROCUREMENT, NAVY			
Total number of permanent positions	3,449	3,339	3,516
Average number of all employees	3,071	3,006	3,191
Number of employees at end of year	3,019	3,082	3,256
Average GS grade and salary	5.9 $4,799	6.0 $5,362	6.0 $5,362
Average salary of ungraded positions	$4,757	$5,228	$5,228
Direct obligations:			
01 Personal services:			
Permanent positions	$18,522,007	$19,469,000	$20,570,000
Other personal services	362,646	449,000	530,000
Total personal services	18,884,653	19,918,000	21,100,000
02 Travel	1,142,116	1,200,000	1,200,000
03 Transportation of things	5,582,278	5,600,000	5,600,000
04 Communication services	39,730	36,000	35,000
07 Other contractual services	38,483,736	146,437,000	72,913,000
Services performed by other agencies	10,687,202	12,236,000	11,587,000
08 Supplies and materials	942,708	920,000	863,000
09 Equipment	2,287,065,852	2,168,927,760	2,015,907,000
10 Lands and structures	4,696,450	2,500,000	
11 Grants, subsidies, and contributions	1,183,449	1,249,000	1,324,000
15 Taxes and assessments	7,762	8,800	9,000
Subtotal	2,368,715,936	2,359,032,560	2,130,538,000
Deduct portion of foregoing obligations originally charged to object class 09	14,603,097	14,600,000	10,000,000
Total direct obligations	2,354,112,839	2,344,432,560	2,120,538,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
AIRCRAFT AND RELATED PROCUREMENT, NAVY—continued			
Reimbursable obligations:			
09 Equipment	$64,445,000	$56,100,000	$16,129,000
Total, Navy	2,418,557,839	2,400,532,560	2,136,667,000
ALLOCATION TO NATIONAL BUREAU OF STANDARDS, DEPARTMENT OF COMMERCE			
07 Other contractual services	4,525	21,710	
Total obligations	2,418,562,364	2,400,554,270	2,136,667,000

Shipbuilding and Conversion, *Navy*

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; [$2,069,400,000] *$1,498,200,000,* to remain available until expended. (*34 U. S. C. 498c–14, 15; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$2,069,400,000** Estimate 1960,[a] **$1,498,200,000**

[a] Excludes $21,800,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Fiscal years 1952, 1953, 1954 programs:			
(a) Ships	$45,058,971	$34,760,000	$14,300,000
(b) Ordnance	315,891		1,087,000
2. Fiscal year 1955 program:			
(a) Ships	77,478,788	22,000,000	20,000,000
(b) Ordnance		1,700,000	1,413,000
3. Fiscal year 1956 program:			
(a) Ships	115,530,144	51,000,000	40,000,000
(b) Ordnance	3,458,138	30,109,000	6,000,000
4. Fiscal year 1957 program:			
(a) Ships	350,012,066	143,051,000	90,899,000
(b) Ordnance	77,870,869	75,038,000	21,993,000
5. Fiscal year 1958 program:			
(a) Ships	675,803,911	320,811,000	90,624,000
(b) Ordnance	298,091,844	25,096,000	8,380,000
6. Fiscal year 1959 program:			
(a) Ships	56,943,178	800,200,000	422,890,000
(b) Ordnance	16,909,223	309,700,000	134,374,000
7. Fiscal year 1960 program:			
(a) Ships		59,780,000	574,445,000
(b) Ordnance		15,600,000	141,000,000
8. Fiscal year 1961 program:			
(a) Ships			92,300,000
(b) Ordnance			18,400,000
9. Shipbuilding administrative expenses:			
(a) Ships	33,060,154	31,250,000	31,400,000
(b) Ordnance	3,926,791	4,100,000	4,500,000
10. Reserve tools and facilities	421,676	85,000	
11. Electronics major procurement	64,186,819	124,366,000	160,295,000
Total direct obligations	1,819,068,463	2,048,637,000	1,874,300,000
Reimbursable obligations:			
5. Fiscal year 1958 program (ships)	3,483,726		
6. Fiscal year 1959 program (ships)		84,000,000	9,577,000
7. Fiscal year 1960 program (ships)			5,000,000
11. Electronics major procurement	12,215,124	11,500,000	11,877,000
Total reimbursable obligations	15,698,850	95,500,000	26,454,000
Total obligations	1,834,767,313	2,144,137,000	1,900,754,000
Financing:			
Comparative transfers to other accounts	19,848,000	15,929,000	
Unobligated balance brought forward	−955,907,371	−994,257,720	−1,016,552,374

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PROCUREMENT—Continued

Current authorizations—Continued

SHIPBUILDING AND CONVERSION, *NAVY*—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance transferred to "Research, development, test, and evaluation, Navy" (1960 appropriation act)			$900,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from (−) other accounts	$275,101	−$829,654	
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−385,625	−38,454,000	
Other accounts	−8,562,291	−10,200,000	−9,700,000
Non-Federal sources (10 U. S. C. 2481, 2665, 2667, 7367; 31 U. S. C. 489a)	−345,712	−300,000	−300,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−58,177,000	
Recovery of prior year obligations	−3,947,135	−5,000,000	
Unobligated balance carried forward	994,257,720	1,016,552,374	623,098,374
Appropriation (new obligational authority)	1,880,000,000	2,069,400,000	1,498,200,000

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. Funds are requested for the 1961 program for the procurement of long lead time components for ships to be constructed or converted in the future.

Major emphasis in the 1960 new construction program of 18 major ships at a cost of $886.1 million is on the improvement of the antisubmarine and fleet air defense capability of the Navy. Approximately 56% of the funds requested for new construction will provide 14 ships adding to such capabilities, including 1 escort research ship which will lead to significant advances in the performance of future escort types. One additional attack carrier (nonnuclear) requires approximately 29% of the funds requested for new construction. No carrier was included in the 1959 program. The remaining 3 ships proposed for construction will increase the support of the POLARIS program by providing a second submarine tender, and increase the amphibious capability of the fleet by addition of 1 transport and 1 assault ship of the types for use in the new vertical envelopment technique.

The 1960 conversion program comprises 13 ships at a cost of $193.1 million. The principal element accounting for 56% of the total conversion cost is a fourth guided missile cruiser of the type included in the 1958 and 1959 programs. Approximately 32% of the conversion cost is for the modernization of 8 destroyers as the first increment of a long-term program to improve the combat effectiveness of antisubmarine ships now in service and, by extending the service life of these ships, to reduce the impact of block obsolescence on the active fleet.

This appropriation also provides for the procurement of electronic equipment for the fleet, the continental and ocean defense program, and fleet support activities. The planned increase in 1959 and 1960 accelerates the modernization of fleet electronic equipment over replacement levels normal to 1958 and prior years. It also initiates capitalization on the significant equipment developments emerging from the research and development effort, and concentrates on antisubmarine warfare, fleet air defense, electronics warfare, and communication programs. Of special interest is the increased effectiveness of particular capabilities in the fleet afforded by the initial procurement in 1960 of: Certain air search radars which extend present range, height, and detection capabilities; newly developed communication equipment, allowing major advances in submarine warfare; variable depth underwater sound equipment, providing a new capability for surface ships in the detection and location of submarines; and new electronic countermeasure equipment, with unique capabilities.

Object Classification

	1958 actual	1959 estimate	1960 estimate
SHIPBUILDING AND CONVERSION, NAVY			
Total number of permanent positions	3,704	3,408	3,505
Average number of all employees	3,436	3,293	3,445
Number of employees at end of year	3,427	3,279	3,490
Average GS grade and salary	6.4 $5,129	6.4 $5,656	6.4 $5,656
Average salary of ungraded positions	$5,169	$5,474	$5,474
Personal service obligations:			
Permanent positions	$21,035,280	$21,747,000	$22,038,000
Other personal services	530,856	554,000	676,000
Total personal service obligations	21,566,136	22,301,000	22,714,000
Direct obligations:			
01 Personal services	21,566,136	22,301,000	21,964,000
02 Travel	620,850	665,000	665,000
03 Transportation of things	1,431,861	1,450,000	1,450,000
04 Communication services	125,168	135,000	135,000
05 Rents and utility services	32,350	32,000	32,000
06 Printing and reproduction	1,301,730	1,434,000	1,527,000
07 Other contractual services	672,306,334	802,200,000	702,000,000
08 Supplies and materials	58,255,935	66,000,000	62,000,000
09 Equipment	989,978,166	1,093,873,000	1,055,180,000
11 Grants, subsidies, and contributions	1,258,015	1,300,000	1,300,000
13 Refunds, awards, and indemnities	36,250	36,000	36,000
15 Taxes and assessments	11,821	11,000	11,000
Total direct obligations	1,746,924,616	1,989,437,000	1,846,300,000
Reimbursable obligations:			
01 Personal services			750,000
07 Other contractual services			500,000
08 Supplies and materials			1,250,000
09 Equipment	15,698,850	95,500,000	23,954,000
Total reimbursable obligations	15,698,850	95,500,000	26,454,000
Total, Navy	1,762,623,466	2,084,937,000	1,872,754,000
ALLOCATION ACCOUNTS			
09 Equipment	72,143,847	59,200,000	28,000,000
Total obligations	1,834,767,313	2,144,137,000	1,900,754,000
Obligations are distributed as follows:			
Navy	$1,762,623,466	$2,084,937,000	$1,872,754,000
Atomic Energy Commission	72,143,847	59,000,000	28,000,000
Department of Commerce		200,000	

PROCUREMENT OF ORDNANCE AND AMMUNITION, *NAVY*

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; [$602,535,000] *$564,069,000*, to remain available until expended. (*40 U. S. C. 259, 367; 33 U. S. C. 733 and note; Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, $602,535,000 **Estimate 1960, [a] $564,069,000**

[a] Excludes $85,031,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Ammunition	$86,800,902	$98,538,644	$86,017,911
2. Ordnance equipment	4,856,418	9,226,039	8,523,160
3. Ordnance guided missiles	108,682,110	308,909,764	320,109,000
4. Development, test, and evaluation support	54,213,963	143,204,914	159,638,929
Total direct obligations	254,553,393	559,879,361	574,289,000
Reimbursable obligations:			
1. Ammunition	4,805,355	9,707,000	5,535,000
2. Ordnance equipment	1,763,446	3,983,000	3,250,000
3. Ordnance guided missiles	9,904,451	15,310,000	22,100,000
Total reimbursable obligations	16,473,252	29,000,000	30,885,000
Total obligations	271,026,645	588,879,361	605,174,000
Financing:			
Comparative transfers to other accounts	74,984,559	73,043,639	
Unobligated balance brought forward	−157,412,044	−44,341,044	−57,369,300
Unobligated balance transferred to "Research, development, test, and evaluation, Navy" (1960 appropriation act)			5,899,863
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other accounts	2,562,402	1,929,744	
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−761,492	−4,630,000	
Other accounts	−6,764,360	−28,900,000	−24,900,000
Non-Federal sources	−214,825	−100,000	−100,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−6,598,941	−35,716,000	
Recovery of prior year obligations	−13,362,988	−5,000,000	
Unobligated balance carried forward	44,341,044	57,369,300	35,364,437
Appropriation (new obligational authority)	207,800,000	602,535,000	564,069,000

This 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 maintain a production base on which to mobilize, and to provide for the systematic introduction of newly developed procurement items into the fleet. Generally this appropriation funds a selected number of weapons to meet the peacetime-force materiel requirements. The 1960 funding remains close to the 1959 level. Consumption of training and exercise materiel will continue to be replaced and major items of hardware will be produced to support the development of new weapons.

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. Among other necessary readiness items, this activity will buy new high-speed submarine-, surface-, and air-launched torpedoes, together with the radically new ASROC antisubmarine weapon.

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. This procurement will continue the integration of selected guided missiles into the active fleet in consonance with the construction and conversion of ships with guided-missile capabilities. Missiles procured under this activity include the air-to-air SIDEWINDER; the ship-to-air TALOS, TARTAR, and TERRIER; and the fleet ballistic missile POLARIS.

4. *Development, test, and evaluation support.*—Provides production hardware necessary to support the final phases of Bureau evaluation before a new item enters the supply system.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3,677	3,698	3,575
Average number of all employees	3,237	3,251	3,138
Number of employees at end of year	3,305	3,268	3,184
Average GS grade and salary	7.1 $5,492	7.1 $5,702	7.1 $5,707
Average salary of ungraded positions	$4,676	$4,684	$4,692
Personal service obligations:			
Permanent positions	$16,194,804	$16,567,000	$15,980,000
Other personal services	149,521	180,000	221,000
Total personal service obligations	16,344,325	16,747,000	16,201,000
Direct obligations:			
01 Personal services	15,359,325	15,707,000	15,161,000
03 Transportation of things	2,722,000	2,860,000	3,000,000
07 Other contractual services	95,022,033	391,301,924	332,102,500
08 Supplies and materials	104,754,381	102,772,633	178,523,146
09 Equipment	35,694,296	46,216,170	44,521,403
11 Grants, subsidies, and contributions	993,289	1,013,536	973,006
15 Taxes and assessments	8,069	8,098	7,945
Total direct obligations	254,553,393	559,879,361	574,289,000
Reimbursable obligations:			
01 Personal services	985,000	1,040,000	1,040,000
07 Other contractual services	602	1,088	1,161
08 Supplies and materials	14,718,315	26,615,263	28,413,896
09 Equipment	706,147	1,276,933	1,363,227
11 Grants, subsidies, and contributions	62,745	66,248	66,248
15 Taxes and assessments	443	468	468
Total reimbursable obligations	16,473,252	29,000,000	30,885,000
Total obligations	271,026,645	588,879,361	605,174,000

[Marine Corps] Procurement, *Marine Corps*

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] *twenty* passenger motor vehicles [of] which [two hundred and thirty-five] shall be for replacement only, [$25,000,000] *$135,200,000*, 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, 1959.*)

Appropriated 1959, **$25,000,000** Estimate 1960, [a] **$135,200,000**

[a] Excludes $6,800,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Navy." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Ammunition and ordnance equipment	$46,441,700	$86,308,000	$67,000,000
2. Guided missiles and equipment	57,135,068	43,871,000	46,000,000
3. Communications and electronics equipment	33,126,601	37,821,000	35,000,000
4. Support vehicles	2,971,152	6,500,000	8,500,000
5. Railroad, engineer, and materials handling equipment	7,685,313	3,500,000	9,000,000
6. Development, test, and evaluation support	14,746,861	9,343,000	12,300,000
Total direct obligations	162,106,695	187,343,000	177,800,000
Reimbursable obligations:			
1. Ammunition and ordnance equipment	925,390	4,800,000	6,000,000
3. Communications and electronics equipment	66,394	400,000	1,000,000
4. Support vehicles	282,750	700,000	500,000
5. Railroad, engineer, and materials handling equipment	28,599	100,000	1,500,000
Total reimbursable obligations	1,303,133	6,000,000	9,000,000
Total obligations	163,409,828	193,343,000	186,800,000

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PROCUREMENT—Continued

Current authorizations—Continued

[MARINE CORPS] PROCUREMENT, *MARINE CORPS*—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$7,318,647	$6,657,000	
Unobligated balance brought forward	−387,132,095	−258,016,398	−$114,481,975
Unobligated balance transferred to "Research, development, test, and evaluation, Navy" (1960 appropriation act)			1,100,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from (−) other accounts	1,120,608	−1,414,042	
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−500,000	
Other accounts	−81,812	−14,535	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−2,651,574	−4,537,000	
Recovery of prior year obligations	−40,000,000	−25,000,000	
Unobligated balance carried forward	258,016,398	114,481,975	61,781,975
Appropriation (new obligational authority)		25,000,000	135,200,000

The objectives of this program are to: (1) procure new types of equipment suited to meet the vertical envelopment doctrine (except aircraft which are procured by the Bureau of Aeronautics); (2) procure and modify major items of equipment such as ammunition, electronics, guided missiles, and amphibious vehicles 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 provide an immediate combat capability for operations short of those requiring mobilization; (5) augment mobilization reserve stocks of major items of equipment; and (6) procure new types of major items of equipment to determine their suitability for Marine Corps use.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	30		
Average number of all employees	30		
Number of employees at end of year	30		
Average GS grade and salary	7.1 $5,492		
Average salary of ungraded positions	$4,676		
Direct obligations:			
01 Personal services:			
Permanent positions	$145,882		
Other personal services	625		
Total personal services	146,507		
02 Travel	22,555		
03 Transportation of things	2,207,847	$5,972,500	$5,861,000
07 Other contractual services: Services performed by other agencies		150,000	150,000
08 Supplies and materials	36,184,085	68,197,500	40,000,000
09 Equipment	123,545,701	113,023,000	131,789,000
Total direct obligations	162,106,695	187,343,000	177,800,000
Reimbursable obligations:			
08 Supplies and materials	941,680	3,000,000	6,000,000
09 Equipment	361,453	3,000,000	3,000,000
Total reimbursable obligations	1,303,133	6,000,000	9,000,000
Total obligations	163,409,828	193,343,000	186,800,000

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft, and equipment, including armor and armament, specialized ground handling equipment and training devices, 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 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; $4,409,100,000, to remain available until expended: Provided, That during the current fiscal year there may be merged with this appropriation, such amounts of the unobligated balances of appropriations previously granted for "Aircraft, missiles, and related procurement," and "Procurement other than aircraft and missiles," as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (5 U. S. C. 55a; 10 U. S. C. 2271–79, 2353, 2386, 2663, 2672, 8012, 8062, 9501–02, 9505, 9531–32, 9741–42; 31 U. S. C. 649 (c), 718; 40 U. S. C. 523; 50 U. S. C. 451–62; Department of Defense Appropriation Act, 1959.)

Estimate 1960, [a] **$4,409,100,000**

[a] Estimate is for activities previously carried as follows:

"Aircraft, missiles, and related procurement, Air Force"	$4,190,300,000
"Procurement other than aircraft and missiles, Air Force"	218,800,000

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Aircraft procurement and production			$2,909,300,000
2. Ground support equipment			144,200,000
3. Development, test, and evaluation support			515,000,000
Total direct obligations			3,568,500,000
Reimbursable obligations:			
1. Aircraft procurement and production			55,000,000
Total obligations			3,623,500,000
Financing:			
Unobligated balance transferred (1960 appropriation act) from—			
"Aircraft, missiles, and related procurement," Air Force			−315,700,000
"Procurement other than aircraft and missiles," Air Force			−16,100,000
Advances and reimbursements from—			
Anticipated reimbursements for future years' deliveries of materiel common to U. S. requirements ordered by military assistance in current year			−18,000,000
Other accounts			−55,000,000
Unobligated balance carried forward			1,190,400,000
Appropriation (new obligational authority)			4,409,100,000

This appropriation provides for development and procurement of aircraft, components, ground equipment in direct support of aircraft, industrial facilities, and modification of in-service aircraft, components, and direct support ground equipment. It brings together in a single appropriation funds for the prime aircraft weapon system and the specialized ground handling and test equipment, which is expected to facilitate management of the program. The funds requested provide for an aircraft procurement and development program of $4,813.9 million for 1960.

1. *Aircraft procurement and production.*—This activity provides for the procurement of 703 new aircraft to continue modernization of the forces comprised of 102 aircraft and missile wings by the end of 1960. In the strategic forces the Air Force is continuing the procurement of heavy bombers which are currently being introduced into this force; also, provision is made for the production of a newer supersonic strategic bomber. These advanced bombers, with greatly increased capability, will replace substantial quantities of obsolescent B–47 medium bombers. Additional jet tankers are provided to obtain the required balanced tanker support of the new heavy and supersonic bombers and the ultimate objective of an all-jet tanker force. All-weather fighter bomber aircraft having supersonic capability are being procured to support the tactical mission. These will be capable of rapid

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deployment anyplace in the world where needed to support United States foreign policy in localized trouble areas and at the same time provide a significant increase of retaliatory force if necessary. No production interceptor aircraft are included because of the high priority assigned to procurement of missiles toward meeting this need in the short and intermediate range field. Provision is made for jet training and transport aircraft to support the modernized operational forces; for modification of in-service aircraft and components thereof; and for production facilities which cannot be provided by private capital to maintain a reasonable production capability.

2. *Ground support equipment.*—Under this activity will be procured the ground support equipment pertaining to specific aircraft weapon systems. The items procured will be of a type and in quantity to match the procurement of the planes they are to service. Included are such items as test and checkout equipment for the component systems of the supersonic strategic bomber and flight simulators for jet tankers.

3. *Development, test, and evaluation support.*—This activity provides for development, testing, and evaluation of aircraft, components, and direct support ground equipment. Amounts are included for improved versions of items currently in production, such as the supersonic strategic bomber, and for development, testing, and evaluation of new items to be placed in production in a subsequent program year, such as a chemical fuel intercontinental strategic bomber, an improved early warning and control aircraft, and a long-range fighter interceptor.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
03 Transportation of things			$16,120,000
07 Other contractual services			253,708,000
08 Supplies and materials			125,598,000
09 Equipment			3,163,869,000
10 Lands and structures			9,205,000
Total direct obligations			3,568,500,000
Reimbursable obligations:			
09 Equipment			55,000,000
Total obligations			3,623,500,000

Missile Procurement, Air Force

For construction, procurement, and modification of missiles, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; 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 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; $2,601,200,000, to remain available until expended: Provided, That, during the current fiscal year, there may be merged with this appropriation, such amounts of unobligated balances of appropriations previously granted for "Aircraft, missiles, and related procurement, Air Force," and "Procurement other than aircraft and missiles, Air Force," as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (5 U. S. C. 55a; 10 U. S. C. 2271–79, 2353, 2386, 2663, 2672, 8012, 8062, 9501–02, 9505, 9531–32, 9741–42; 31 U. S. C. 649 (c), 718; 40 U. S. C. 523; 50 U. S. C. 451–62; Department of Defense Appropriation Act, 1959.)

Estimate 1960, [a] **$2,601,200,000**

[a] Estimate is for activities previously carried, as follows:

"Aircraft, missiles, and related procurement," Air Force	$1,900,000,000
"Procurement other than aircraft and missiles," Air Force	701,200,000

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Missile procurement and production			$1,091,900,000
2. Ground support equipment			535,100,000
3. Development, test, and evaluation support			777,500,000
Total obligations			2,404,500,000
Financing:			
Unobligated balances transferred (1960 appropriation act) from—			
"Aircraft, missiles, and related procurement," Air Force			−104,300,000
"Procurement other than aircraft and missiles," Air Force			−50,600,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year			−7,000,000
Unobligated balance carried forward			358,600,000
Appropriation (new obligational authority)			2,601,200,000

This appropriation provides for the procurement and development of guided missiles and their components, ground equipment in direct support of guided missile systems, and related expenses such as industrial facilities and modification of in-service missiles and support equipment.

1. *Missile procurement and production.*—The 1960 estimates continue the accelerated production of the ATLAS and TITAN intercontinental ballistic missiles to equip the planned operational squadrons as they are activated. The presently planned procurement of THOR and JUPITER intermediate range ballistic missiles will be substantially completed with the funds provided in 1960, but procurement of the MACE missile for tactical purposes will be continued. Procurement of the HOUND DOG air-to-surface missile to increase the effectiveness of the B–52 heavy bombers will continue at a high level in 1960. The BOMARC interceptor missile for air defense continues to receive major emphasis, and 1960 funds will provide for the procurement for inventory of an improved version. Provision is also made for procurement of air-to-air missiles to equip the planned forces of fighter and interceptor aircraft. The 1960 estimates also recognize increased requirements for target and drone missiles in the testing of missile and aircraft weapons systems and in the training of operational units to use them.

2. *Ground support equipment.*—The principal amounts required in 1960 are for launching and ground equipment for the ATLAS, TITAN, THOR, and JUPITER ballistic missiles and for the BOMARC interceptor missile. Lesser amounts are also included for launching and ground equipment for the other missiles in the program and for test and training equipment requirements for all Air Force missiles.

3. *Development, test, and evaluation support.*—In addition to amounts for continuing development, test, and evaluation of missiles already under procurement for service use and inventory, this activity provides funds in 1960 for development of the MINUTEMAN solid-propellent intercontinental ballistic missile and an advanced air-to-air missile for air defense.

Object Classification

	1958 actual	1959 estimate	1960 estimate
03 Transportation of things			$8,335,000
07 Other contractual services			10,250,000
08 Supplies and materials			8,375,000
09 Equipment			2,371,925,000
10 Lands and structures			5,615,000
Total obligations			2,404,500,000

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PROCUREMENT—Continued

Current authorizations—Continued

OTHER PROCUREMENT AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed two thousand five hundred and seventy-seven passenger motor vehicles, of which two thousand three hundred and thirty-three (including one at not to exceed $2,900) shall be for replacement only; and 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 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: $1,165,200,000, to remain available until expended: Provided, That, during the current fiscal year, there may be merged with this appropriation, such amounts of unobligated balances of appropriations previously granted for "Procurement other than aircraft and missiles", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made: Provided further, That such amounts of unexpended balances of the amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U. S. C. 200) of the appropriations "Air National Guard", 1958, and "Air National Guard", 1959, as may be determined by the Secretary of Defense to have been made available for procurement activities shall be merged with this appropriation. (5 U. S. C. 55a, 78, 78a–1; 10 U. S. C. 2353, 2386, 8012, 9505, 9531–32; 31 U. S. C. 649 (c), 718; 50 U. S. C. 491; 71 Stat. 53; Department of Defense Appropriation Act, 1959.)

Estimate 1960, [a] **$1,165,200,000**

[a] Estimate is for activities previously carried under appropriation titles as follows:

"Aircraft, missiles, and related procurement, Air Force"	$15,300,000
"Procurement other than aircraft and missiles, Air Force"	1,131,030,000
"Air National Guard, Air Force"	18,870,000

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Weapons, ammunition, and propellants			$57,100,000
2. Vehicular equipment			35,000,000
3. Ground communication-electronic equipment			742,200,000
4. Other base maintenance and support equipment			137,000,000
5. Development, test, and evaluation support			26,100,000
Total direct obligations			998,300,000
Reimbursable obligations:			
1. Weapons, ammunition, and propellants			3,300,000
2. Vehicular equipment			12,000,000
3. Ground communication-electronic equipment			13,000,000
4. Other base maintenance and support equipment			4,700,000
Total reimbursable obligations			33,000,000
Total obligations			1,031,300,000
Financing:			
Unobligated balance transferred from "Procurement other than aircraft and missiles, Air Force" (1960 appropriation act)			−65,300,000
Advances and reimbursements from other accounts			−33,000,000
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year			−20,000,000
Unobligated balance carried forward			252,200,000
Appropriation (new obligational authority)			1,165,200,000

This appropriation provides for command, control, and warning systems and networks, and other centrally procured ground equipment in support of the Air Force, the Air Force Reserve, the Air National Guard, and the Air Reserve Officers Training Corps.

1. *Weapons, ammunition, and propellants.*—The 1960 estimates provide for procuring aircraft ammunition and rockets, atomic training weapons, and other related equipment required for maintaining an immediate combat capability, for augmentation of mobilization reserve stocks of certain combat material, and for replacement of material consumed in the continuous operational efficiency training of pilots and crewmen.

2. *Vehicular equipment.*—The procurement of materials handling equipment, trucks, trailers, and passenger vehicles included in the 1960 estimates will provide for increased rapid handling of equipment and supplies supporting aircraft and missile operations, accelerated replacement of over-age wornout vehicles, and the phased replacement of tactical-type vehicles with commercially available models where possible.

3. *Ground communication-electronic equipment.*—In 1960 funds are provided for the continued accelerated implementation of the ballistic missile early warning system, the warning-surveillance-control environments for air defense, and the communication networks supporting operational missile launching complexes. Provision is also made for extension and improvement of communication networks, ground installed aids to air navigation at air base facilities, and the observation, data processing, and display equipment required for the weather system. Funds for continuing improvement to missile range instrumentation, communications-electronics intelligence, communications security, and electronic countermeasure capabilities are also included. In total, the 1960 estimates represent a substantial increase, which primarily reflects the costs and complexity of equipment required for air defense and for systems responsive to quick reaction and reliability requirements associated with the advent of operational missiles and high performance aircraft.

4. *Other base maintenance and support equipment.*—This program provides for the procurement of such items as fire-fighting equipment, utility equipment, shop machinery and tools, personal equipment, test equipment, photographic equipment, and related supplies and repair parts to support normal base operations, the logistical organization, and other activities of the Air Force.

5. *Development, test, and evaluation support.*—This activity provides for development, testing, and evaluation of end items and components. Amounts are included for improved versions of items currently in use or scheduled for production, such as long-range radars, computers, automatic switching equipment, and communication security equipment which will become a part of future year procurement programs.

Object Classification

		1958 actual	1959 estimate	1960 estimate
Direct obligations:				
03	Transportation of things			$8,300,000
08	Supplies and materials			152,300,000
09	Equipment			833,900,000
10	Lands and structures			3,800,000
	Total direct obligations			998,300,000
Reimbursable obligations:				
08	Supplies and materials			7,300,000
09	Equipment			25,700,000
	Total reimbursable obligations			33,000,000
	Total obligations			1,031,300,000

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[AIRCRAFT, MISSILES, AND RELATED PROCUREMENT] (AIR FORCE)

[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; $6,643,475,000, to remain available until expended.] (*Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$6,643,475,000**
Appropriated (adjusted) 1959, **$6,589,875,000**

NOTE.—Estimate of $6,361,700,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Aircraft procurement, Air Force"	$4,190,300,000
"Missile procurement, Air Force"	1,900,000,000
"Other procurement, Air Force"	15,300,000
"Research, development, test, and evaluation, Air Force"	256,100,000

The amounts obligated for "Research, development, test, and evaluation, Air Force," for 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Aircraft	$5,828,182,609	$4,698,540,000	$1,097,100,000
2. Missiles	419,865,890	1,209,533,000	161,000,000
3. Aircraft ground handling equipment	93,249,803		
4. Missiles squadron and depot equipment	44,419,674		
5. Ground support equipment	226,465		
6. Development, test, and evaluation support	1,286,001,000	1,301,826,000	220,000,000
Total direct obligations	7,671,945,441	7,209,899,000	1,478,100,000
Reimbursable obligations:			
1. Aircraft	94,194,195	144,800,000	5,000,000
2. Missiles	100,000,000	87,200,000	
Total reimbursable obligations	194,194,195	232,000,000	5,000,000
Total obligations	7,866,139,636	7,441,899,000	1,483,100,000
Financing:			
Comparative transfers to other accounts	134,320,000	180,101,000	
Unobligated balance brought forward	−4,556,845,507	−2,757,870,280	−2,184,300,965
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to or from (−) other accounts	−30,196,438	26,674,904	
Unobligated balance transferred (1960 appropriation act) to—			
"Aircraft procurement, Air Force"			315,700,000
"Missile procurement, Air Force"			104,300,000
"Research, development, test, and evaluation, Air Force"			10,000,000
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−30,000,000	−100,000,000	
Other accounts	−94,194,195	−70,230,589	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−194,089,040	−65,000,000	
Recovery of prior year obligations	−4,736	−250,000,000	−100,000,000
Unobligated balance carried forward	2,757,870,280	2,184,300,965	371,200,965
New obligational authority	5,853,000,000	6,589,875,000	
New obligational authority:			
Appropriation	$5,886,000,000	$6,643,475,000	
Transferred to—			
"Emergency fund, Department of Defense" (71 Stat. 313 as amended by 72 Stat. 7; 72 Stat. 713)	−33,000,000		
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 712)		−8,500,000	
"Research and development, National Aeronautics and Space Administration" (72 Stat. 433)		−45,100,000	
Appropriation (adjusted)	5,853,000,000	6,589,875,000	

This appropriation provided funds in 1959 and prior years for the procurement and development of aircraft, missiles, and related equipment, which in 1960 will be financed in the three new appropriations shown separately below. The amounts shown for 1960 represent continuation of previously approved programs. A procurement program of $7,260.5 million is currently planned for 1959, as compared to $6,295.7 million in 1958.

1. *Aircraft.*—The 1959 aircraft procurement program will provide 784 aircraft for continued modernization of the Air Force. These aircraft include sufficient heavy bombers to complete the replacement of the older, propeller-driven B–36 and, at the same time, increase the strength of each heavy bomb wing. Sufficient jet tanker airplanes to support these heavy bombers are included in the program. Procurement in production quantities of several new types of aircraft was initiated as part of the 1959 program, including a supersonic strategic bomber to replace the existing B–47's, an all-weather tactical fighter-bomber, a supersonic jet training plane, and a turbine-powered rescue helicopter. Two types of small-jet-engine airplanes expected to be available on the civilian market are included in the program for training and utility transport purposes. The 1959 procurement program also included the final production quantities of two models of short range air defense interceptor airplanes. In addition, the 1959 program provides for further modernization through the modification of in-service aircraft and their components.

2. *Missiles.*—The 1959 program provides for development and production of ballistic missiles for the strategic mission such as ATLAS, TITAN, THOR, and JUPITER; for the air defense mission, the BOMARC interceptor missile and the air-to-air FALCON missile; and for the tactical mission, the MACE. The QUAIL and HOUND DOG missiles are being procured to help manned bombers accomplish their missions. The missile program also provides drones for the testing of interceptor airplanes and their air-to-air missiles and ground-launched interceptor missiles. In-service missiles and their components are modernized through modifications financed by this activity.

Activities 3 through 5 are no longer financed in this appropriation. The obligations shown in 1958 represent final obligations against prior year programs.

Object Classification

		1958 actual	1959 estimate	1960 estimate
Direct obligations:				
03	Transportation of things	$29,751,749	$22,850,569	$4,582,000
07	Other contractual services	377,039,920	393,962,019	80,113,000
08	Supplies and materials	133,073,693	159,054,114	32,223,000
09	Equipment	7,111,945,079	6,602,051,298	1,361,182,000
10	Lands and structures	20,135,000	31,981,000	
Total direct obligations		7,671,945,441	7,209,899,000	1,478,100,000
Reimbursable obligations:				
09	Equipment	194,194,195	232,000,000	5,000,000
Total obligations		7,866,139,636	7,441,899,000	1,483,100,000

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PROCUREMENT—Continued

Current authorizations—Continued

[PROCUREMENT OTHER THAN AIRCRAFT AND MISSILES] (AIR FORCE)

[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, materials, and spare parts therefor, not otherwise provided for; and the purchase of not to exceed twenty-seven hundred and fifty passenger motor vehicles for replacement only; $2,220,020,000, to remain available until expended, of which amount $16,500,000 shall be transferred to "Establishment of Air Navigation Facilities", Civil Aeronautics Administration for the Department of Defense share of the cost of the 1959 program for the air navigation system known as Vortac.] (*Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$2,220,020,000**

NOTE.—Estimate of $2,174,630,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Aircraft procurement, Air Force"	$218,800,000
"Missile procurement, Air Force"	701,200,000
"Other procurement, Air Force"	1,131,030,000
"Research, development, test, and evaluation, Air Force"	123,600,000

The amounts obligated for "Research, development, test, and evaluation, Air Force," for 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Weapons, ammunition, and propellants	$44,869,936	$51,619,000	$12,700,000
2. Vehicular equipment	27,487,108	34,035,000	12,500,000
3. Ground communication-electronic equipment	527,834,472	710,164,000	128,200,000
4. Ground handling equipment	440,108,184	559,725,000	83,600,000
5. Training equipment	47,879,604	78,232,000	25,300,000
6. Support equipment and supplies	202,788,231	227,364,000	49,300,000
7. Base maintenance equipment	29,643,363	57,882,000	13,400,000
8. Development, test, and evaluation support	255,031,000	296,783,000	25,000,000
Total direct obligations	1,575,641,898	2,015,804,000	350,000,000
Reimbursable obligations:			
1. Weapons, ammunition, and propellants	11,700,000	9,500,000	
2. Vehicular equipment	7,800,000	35,000,000	
3. Ground communication-electronic equipment	4,000,000	29,800,000	2,000,000
4. Ground handling equipment	5,900,000	103,200,000	
5. Training equipment	3,906,000	20,000,000	1,000,000
6. Support equipment and supplies	5,205,000	29,500,000	1,000,000
7. Base maintenance equipment	1,300,000	10,000,000	1,000,000
Total reimbursable obligations	39,811,000	237,000,000	5,000,000
Total obligations	1,615,452,898	2,252,804,000	355,000,000
Financing:			
Comparative transfers to other accounts	43,941,088	54,096,000	
Unobligated balance brought forward	−422,128,685	−438,344,049	−631,464,049
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred to other Air Force accounts	22,682,717		
Unobligated balance transferred (1960 appropriation act) to—			
"Aircraft procurement, Air Force"			16,100,000
"Missile procurement, Air Force"			50,600,000
"Other procurement, Air Force"			65,300,000
Advances and reimbursements from—			
Deliveries of materiel common to U. S. requirements ordered by military assistance in current year		−30,000,000	
Other accounts	−48,520,229	−50,000,000	
Anticipated reimbursements for future year deliveries of materiel common to U. S. requirements ordered by military assistance in current year	−123,965,738	−175,000,000	
Recovery of prior year obligations		−25,000,000	−25,000,000
Unobligated balance carried forward	438,344,049	631,464,049	169,464,049
New obligational authority	1,525,807,000	2,220,020,000	
New obligational authority:			
Appropriation	$1,531,500,000	$2,220,020,000	
Transferred to "Expenses," Airways Modernization Board (31 U. S. C. 581C)	−5,693,000		
Appropriation (adjusted)	1,525,807,000	2,220,020,000	

This appropriation provided funds in 1959 and previous years for procurement and development of ground equipment integral to aircraft and missile systems of the Air Force, for warning and control systems for air defense, and for other centrally procured ground equipment in support of the Air Force, the Air Force Reserve, the Air National Guard, and the Air Reserve Officers Training Corps. The amounts shown for 1960 obligations represent continuation of previously approved programs. Beginning with the 1960 program, procurement of these items is included under the new appropriations for Aircraft procurement, Missile procurement, Other procurement, and Research, development, test, and evaluation.

1. *Weapons, ammunition, and propellants.*—The 1959 program provides for atomic training weapons and aircraft rockets, ammunition, and similar items required for consumption in peacetime training and for an adequate reserve of combat material.

2. *Vehicular equipment.*—Provision is made for recurring requirements for passenger motor vehicles, trucks, tractors, trailers, and materials handling equipment of all elements of the Air Force.

3. *Ground communication-electronic equipment.*—The 1959 program includes substantial amounts for extension and augmentation of distant early warning lines, and for radar surveillance systems, communications networks, and ground installed aids to aircraft navigation. Funds are also included for development and procurement of missile range instrumentation and other electronic equipments.

4. *Ground handling equipment.*—The principal amounts in 1959 are for launching, guidance, and ground test equipment for ballistic missiles and for BOMARC interceptor missiles for air defense. Funds are also included for specialized ground equipment for other missile systems and for manned aircraft.

5. *Training equipment.*—The 1959 program includes funds for aircraft flight simulators, missile simulation equipment, mobile maintenance trainers, and other training aids and devices designed to facilitate the training of Air Force personnel in the use of the increasingly complex types of equipment coming into the operational inventory.

6. *Support equipment and supplies.*—This activity provides for recurring Air Force requirements for items such as shop machinery, tools and materials, personal equipment, photographic equipment and supplies, office machines and equipment, furniture and furnishings, and food service equipment. Funds are also included for test equipment and specialized tools to support in-production aircraft weapon systems and certain intelligence programs.

7. *Base maintenance equipment.*—This activity covers requirements for engineering machinery and equipment, fire-fighting equipment, utility equipment, and other general types of equipment required in the operation of Air Force bases.

Object Classification

	1958 actual	1959 estimate	1960 estimate
PROCUREMENT OTHER THAN AIRCRAFT AND MISSILES, AIR FORCE			
Direct obligations:			
03 Transportation of things	$10,206,849	$15,840,000	$15,000,000
08 Supplies and materials	252,149,710	319,219,301	40,900,000
09 Equipment	1,313,180,083	1,680,560,000	294,100,000
Total direct obligations	1,575,536,642	2,015,619,301	350,000,000
Reimbursable obligations:			
08 Supplies and materials	16,286,000	38,700,000	1,100,000
09 Equipment	23,525,000	198,300,000	3,900,000
Total reimbursable obligations	39,811,000	237,000,000	5,000,000
Total, Air Force	1,615,347,642	2,252,619,301	355,000,000

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION ACCOUNTS			
Average number of all employees	7		
Number of employees at end of year	0		
01 Personal services: Other personal services	$37,131		
07 Other contractual services	68,125	$184,699	
Total, allocation accounts	105,256	184,699	
Total obligations	1,615,452,898	2,252,804,000	$355,000,000
Obligations are distributed as follows:			
Air Force	$1,615,347,642	$2,252,619,301	$355,000,000
National Aeronautics and Space Administration	105,001		
Atomic Energy Commission	255	184,699	

CONSTRUCTION OF SHIPS, MILITARY SEA TRANSPORTATION SERVICE, DEPARTMENT OF DEFENSE

[Appropriations] *The appropriation* to the Department of Defense for ["Access roads", and "Family housing"] *"Construction of ships, Military Sea Transportation Service,"* shall not be available for obligation after June 30, [1958] *1959. (Department of Defense Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of ships (total obligations)	$4,645,059	$2,800,000	
Financing:			
Unobligated balance brought forward	−10,255,495	−5,610,436	
Unobligated balance carried forward	5,610,436		
Unobligated balance no longer available		2,810,436	
Appropriation (new obligational authority)			

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. No further program of this type is contemplated.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$1,457,344	$1,512,000	
09 Equipment	3,187,715	1,288,000	
Total obligations	4,645,059	2,800,000	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The appropriations in this title cover the amounts formerly included in appropriations for "Research and development" and a substantial portion of the related amounts for development, test, and evaluation which have been included in procurement and certain other appropriations in previous years. The estimated amounts for items identified as development, test, and evaluation support remaining in the procurement appropriations in the 1960 budget bring the estimated combined totals for research, development, test, and evaluation to the amounts indicated below:

[In millions]

	Total direct obligations		
	1958 actual	*1959 estimate*	*1960 estimate*
Research, development, test, and evaluation appropriations	$2,502.7	$3,521.9	$3,722.4
Development, test, and evaluation support included in procurement appropriations	1,656.0	1,821.7	1,843.4
Total, research, development, test, and evaluation including procurement support [1]	4,158.7	5,343.6	5,565.8

[1] Exclusive of military pay and military construction; see special analysis H in part IV

The amounts provided in the 1960 estimates for the research, development, test, and evaluation appropriations will continue the present high level of effort and emphasis on basic research to add to the store of knowledge on which significant future military developments will be based; on applied research and technical developments to exploit military potentialities of new scientific information; and on the development, test, and evaluation of new and improved weapons and equipment to increase the effectiveness of the military forces. The amounts included for obligation in the individual appropriations in this title for the three military departments, the Advanced Research Projects Agency, the emergency fund, and expired accounts are summarized below:

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Summary of program by activities:			
1. Military sciences	$334.4	$360.3	$371.9
2. Aircraft and related equipment	442.5	472.6	437.3
3. Missiles and related equipment	904.3	1,341.8	1,437.6
4. Military astronautics and related equipment	17.4	345.9	309.1
5. Ships and small craft and related equipment	132.1	158.7	167.7
6. Ordnance, combat vehicles, and related equipment	179.1	188.8	235.0
7. Other equipment	323.6	379.9	430.8
8. Programwide management and support	135.1	137.8	133.0
9. Emergency fund and expired accounts	34.2	136.1	150.0
Total direct obligations	2,502.7	3,521.9	3,722.4

1. *Military sciences.*—This activity includes basic research in the physical and life sciences, applied scientific research of importance for military purposes, operations research, and the development of new materials, components, and techniques. Among the many and widely varied problems to be investigated under this activity in 1960 are radio astronomy, properties of free radicals, thermoelectric materials, masers, neurosensory phenomena, blood substitutes, boundary layer control, hydrofoils, cargo packaging, and personnel selection, classification, and utilization. Supporting research projects which are associated with specific end-item developments are funded under the other activities below. The principal support of such organizations as the Naval Research Laboratory, the Air Force's Cambridge Research Center and Rand Corporation, and the Army's Operations Research Office and Human Resources Research Office is provided under this activity in addition to work performed by universities, nonprofit organizations, and industry.

2. *Aircraft and related equipment.*—This activity funds research, development, test, and evaluation related to airframes; their engines and armament; and communications, navigation, bombing, fire control, and other installed equipment. With the exception of certain research aircraft, procurement of these items in quantity for test and evaluation is funded under the procurement accounts. Among the specific aircraft funded under this activity is the X–15 hypersonic research aircraft, a joint program of the Air Force, Navy, and National Aeronautics and

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RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

Space Administration, which is scheduled to undergo its initial flight tests during the current fiscal year. Other aircraft under development are an Air Force advanced strategic bomber, the B–70; the boost-glide DYNASOAR program; new antisubmarine warfare and fleet air defense aircraft under design by the Navy; and vertical and short takeoff aircraft, including an aerial jeep, of the Army. A major component development effort is the aircraft nuclear propulsion program conducted by the Air Force; additional funds for this program are provided by the Atomic Energy Commission. Research and test centers primarily funded under this activity include the Air Force's Arnold Engineering Development Center and Flight Test Center and the Naval Air Test Center.

3. *Missiles and related equipment.*—This activity includes research, development, test, and evaluation of strategic, tactical, air defense, and special purpose missiles, test vehicles, and related equipment. Practices respecting procurement of missiles in quantity for test and evaluation vary among the military services, and additional funds for test and evaluation missiles are provided by the Air Force and Navy under the procurement accounts. Advanced liquid propellent missiles under development include the ATLAS and TITAN. The increasing emphasis on solid propellent missiles of high operational readiness and simplified logistics is exemplified in the strategic field by the Navy's POLARIS and the Air Force's MINUTEMAN and in the tactical field by the Army's SERGEANT and PERSHING missiles and by a new battle group missile. A major effort is being continued in the field of defense against ballistic missiles; this effort involves both the Army's NIKE ZEUS antimissile system and an extensive research and development effort on new techniques sponsored by the Advanced Research Projects Agency. Marine Corps applications of missile developments are also included in this activity. In addition to funding industrial participation in the missile research and development program, this activity is the principal source of funds for the operation of such development and test centers as the Air Force's Atlantic Missile Range, Air Proving Ground Center, and Missile Development Center; the Navy's Pacific Missile Range, Naval Ordnance Test Station, and Applied Physics Laboratory; and the Army's White Sands Missile Range, Ballistic Missile Agency, Rocket and Guided Missile Agency, and Diamond Ordnance Fuze Laboratory.

4. *Military astronautics and related equipment.*—This activity provides for the conduct of programs directed at the improvement of space technology for military purposes and the investigation of specific military applications of space vehicles. The Advanced Research Projects Agency is the primary sponsor of these programs and is conducting research and development related to such specific applications of military interest as reconnaissance, communications, navigation, and early warning of ballistic missile attack. The Air Force's effort in this field in 1960 includes work on advanced propulsion, secondary power, guidance, and navigation components and equipment.

5. *Ships and small craft and related equipment.*—This activity provides for research, development, test, and evaluation related to ships and small craft. Although the Navy provides funds under the shipbuilding appropriation for the procurement of ships of advanced design and ships employed in the development, test, and evaluation of new components and techniques, this activity funds much of the effort related to advanced engines and propulsion machinery; communications, data systems, detection, countermeasures, and other shipboard electronic equipment; catapults and arresting gear; and other installed equipment. The Army's program under this activity is concerned with small craft for transport, reconnaissance, and assault use. A significant part of the research and development effort of the Naval Electronics Laboratory and David Taylor Model Basin is funded under this activity.

6. *Ordnance, combat vehicles, and related equipment.*—The Army's program in this area includes a variety of vehicles ranging from personnel and cargo carriers to self-propelled guns and tanks; improved rocket launchers, field guns, howitzers, mortars, small arms, and other weapons; and more effective artillery and small arms ammunition, mines, and grenades. Among the developments underway which will be continued in 1960 are new division and direct support artillery weapons to provide an advanced non-atomic capability and a new antitank system. The Navy's 1960 program emphasizes antisubmarine weapons and includes mines, depth charges, torpedoes, bombs and clusters, rockets, shells, and other types of ammunition and related components. Specialized weapons and support vehicles for the Marine Corps are also provided. Research, development, test, and evaluation conducted by the Air Force in this area is concerned with ammunition, rockets, bomb components such as fuses, and related components and equipment. This activity provides the principal support of the Naval Ordnance Laboratory and of research, development, test, and evaluation activities at several of the Army arsenals.

7. *Other equipment.*—This activity provides for research, development, test, and evaluation of equipment not separately provided under other activities. Examples of the types of equipment involved are communications, construction, reconnaissance, and mapping equipment in the Army; certain navigation, detection and warning equipment, harbor defense equipment, shore-based antisubmarine and mine countermeasures systems, radiological and aerological equipment in the Navy; and photographic equipment, aircraft control and warning system equipment (including developments related to the Ballistic Missile Early Warning System) and communications systems in the Air Force. Much of the support of the research and development effort of the Lincoln Laboratories and the Signal Research and Development Laboratory is provided under this activity by the Air Force and Army, respectively.

8. *Programwide management and support.*—This activity provides for the operation, management, and maintenance of research, development, and test facilities of the Army, Air Force, and Advanced Research Projects Agency which are not distributed directly to other budget activities. Costs of research, development, and test centers of the Navy are fully distributed among the other activities.

9. *Emergency fund.*—The emergency fund appropriation enables the Secretary of Defense to supplement appropriations of the departments available for research, development, test, and evaluation in order to defray the cost of preliminary exploitation of new developments and other such contingencies.

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Current authorizations:

RESEARCH, [AND] DEVELOPMENT, *TEST, AND EVALUATION, ARMY*

For expenses necessary for basic and applied scientific research, [and] development, *test, and evaluation*, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$498,700,000] *$1,046,515,000*, to remain available until expended: *Provided, That, during the current fiscal year, there may be merged with this appropriation, such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (10 U. S. C. 2352–57; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$498,700,000** Estimate 1960, [a] **$1,046,515,000**
Appropriated (adjusted) 1959, **$523,298,750**

[a] Includes $473,515,000 for activities previously carried under appropriations, as follows:
"Procurement of equipment and missiles, Army" $459,300,000
"Operation and maintenance, Army" 14,215,000
The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Military sciences	$124,020,866	$132,274,000	$119,674,000
2. Aircraft and related equipment	59,954,381	30,314,005	24,101,000
3. Missiles and related equipment	321,066,326	454,681,750	543,330,000
5. Ships and small craft and related equipment	424,816	334,000	170,000
6. Ordnance, combat vehicles, and related equipment	96,182,484	89,733,785	124,414,000
Combat and support vehicles and related equipment	(34,251,843)	(27,885,600)	(44,597,000)
Artillery and other weapons and related equipment	(18,447,005)	(18,240,000)	(31,724,000)
Ammunition and related equipment	(43,483,636)	(43,608,185)	(48,093,000)
7. Other equipment	143,986,409	177,253,210	174,985,000
8. Programwide management and support	55,647,183	63,736,000	59,841,000
Total direct obligations	801,282,465	948,326,750	1,046,515,000
Reimbursable obligations:			
1. Military sciences	642,478	460,000	450,000
2. Aircraft and related equipment	102,000	50,000	50,000
3. Missiles and related equipment	11,625,548	59,120,000	50,300,000
6. Ordnance, combat vehicles, and related equipment	116,000	50,000	50,000
Combat and support vehicles and related equipment	(49,000)		
Ammunition and related equipment	(67,000)	(50,000)	(50,000)
7. Other equipment	918,547	1,096,000	1,150,000
8. Programwide management and support	60,600	44,000	1,500,000
Total reimbursable obligations	13,465,173	60,820,000	53,500,000
Total obligations	814,747,638	1,009,146,750	1,100,015,000
Financing:			
Comparative transfers from (−) other accounts	−308,906,730	−393,913,000	
Unobligated balance brought forward	−33,828,114	−55,180,525	−25,345,525
Unobligated balance transferred from "Procurement of equipment and missiles, Army" (1960 appropriation act)			−10,000,000
Advances and reimbursements from—			
Other accounts	−21,001,770	−52,906,000	−53,360,000
Non-Federal sources (5 U. S. C., 172d)	−283,405	−94,000	−140,000
Unobligated balance carried forward	55,180,525	25,345,525	35,345,525
New obligational authority	505,908,144	532,398,750	1,046,515,000
New obligational authority:			
Appropriation	$405,045,000	$498,700,000	$1,046,515,000
Transferred from—			
"Emergency fund, Department of Defense" (71 Stat. 313; 72 Stat. 713)	82,111,000	13,177,000	
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 712)		15,500,000	
"Military personnel, Army" (72 Stat. 7)	20,000,000		
Transferred to—			
"Expenses," Airways Modernization Board (31 U. S. C. 581c)	−1,247,856		
"Research and development," National Aeronautics and Space Administration (72 Stat. 433)		−4,078,250	
Appropriation (adjusted)	505,908,144	523,298,750	1,046,515,000
Proposed supplemental due to pay increases		9,100,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY			
Total number of permanent positions	16,583	17,788	19,630
Full-time equivalent of all other positions	62	31	25
Average number of all employees	15,808	17,211	18,958
Number of employees at end of year	16,797	17,882	19,369
Average GS grade and salary	8.1 $6,061	8.1 $6,622	8.2 $6,616
Average salary of ungraded positions	$4,962	$5,461	$5,461
Personal service obligations:			
Permanent positions	$92,672,935	$108,406,510	$121,233,000
Positions other than permanent	319,670	206,650	191,450
Other personal services	6,698,286	8,962,540	9,457,550
Total personal service obligations	99,690,891	117,575,700	130,882,000
Direct obligations:			
01 Personal services	97,498,882	106,900,700	119,887,600
02 Travel	4,625,883	4,975,900	5,066,643
03 Transportation of things	2,211,394	1,527,700	1,578,453
04 Communication services	155,957	172,800	177,246
05 Rents and utility services	940,328	967,200	1,014,418
06 Printing and reproduction	12,983	13,200	13,076
07 Other contractual services	271,495,901	320,699,105	334,561,230
Services performed by other agencies	41,265,281	47,474,000	44,356,000
08 Supplies and materials	66,660,672	73,232,900	57,227,888
09 Equipment	305,491,023	383,768,800	476,682,086
10 Lands and structures	419,004	416,900	355,800
11 Grants, subsidies, and contributions	4,591,177	5,320,500	5,458,151
13 Refunds, awards, and indemnities	53,609	55,700	51,401
15 Taxes and assessments	83,119	82,300	83,008
16 Investments and loans	2,073	2,000	2,000
Total direct obligations	795,507,286	945,609,705	1,046,515,000
Reimbursable obligations:			
01 Personal services	2,192,009	10,675,000	10,994,400
02 Travel	133,062	359,000	360,500
03 Transportation of things	1,094	1,800	2,900
04 Communication services		15,200	16,000
05 Rents and utility services		56,200	45,000
07 Other contractual services	9,268,500	46,363,100	38,373,500
08 Supplies and materials	1,813,491	3,290,700	3,641,200
09 Equipment	43,755	45,800	52,900
11 Grants, subsidies, and contributions	13,002	13,200	13,600
13 Refunds, awards, and indemnities	134		
15 Taxes and assessments	126		
Total reimbursable obligations	13,465,173	60,820,000	53,500,000
Total, Army	808,972,459	1,006,429,705	1,100,015,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	8	1	
Average number of all employees	79	15	
Number of employees at end of year	88	0	
Average GS grade and salary	7.1 $4,890	7.1 $5,130	
01 Personal services:			
Permanent positions	$40,013	$7,863	
Other personal services	374,376	74,555	
Total personal services	414,389	82,418	
02 Travel	8,735	175	
03 Transportation of things	2,608		
04 Communication services	2,353		
05 Rents and utility services	11,327		
06 Printing and reproduction	183		
07 Other contractual services	5,075,324	2,271,200	
Services performed by other agencies	179		
08 Supplies and materials	25,806	5,381	
09 Equipment	25,179	500	
10 Lands and structures	184,382	352,525	
11 Grants, subsidies, and contributions	23,819	4,846	
13 Refunds, awards, and indemnities	645		
15 Taxes and assessments	250		
Total, allocation accounts	5,775,179	2,717,045	
Total obligations	814,747,638	1,009,146,750	1,100,015,000
Obligations are distributed as follows:			
Army	$808,972,459	$1,006,429,705	$1,100,015,000
Department of Agriculture	1,507		
Air Force	25		
Atomic Energy Commission	5,181,076	2,623,526	
Department of Commerce	543,010	84,068	
Department of the Interior	22,441	340	
Navy	26,931		
Veterans Administration	189	9,111	

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RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

Current authorizations—Continued

RESEARCH, [AND] DEVELOPMENT, *TEST, AND EVALUATION, NAVY*

For expenses necessary for basic and applied scientific research, [and] development, *test, and evaluation*, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$821,285,000] *$970,920,000*, to remain available until expended: *Provided, That, during the current fiscal year, there may be merged with this appropriation such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation, as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (10 U. S. C. 174, 1584, 2352–57, 5150–53, 7522; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$821,285,000** Estimate 1960, [a] **$970,920,000**

[a] Includes $187,920,000 for activities previously carried under appropriations as follows:

"Aircraft and related procurement, Navy"	$39,706,000
"Shipbuilding and conversion, Navy"	21,800,000
"Procurement of ordnance and ammunition, Navy"	85,931,000
"Procurement, Marine Corps"	6,800,000
"Aircraft and facilities," Navy	9,926,000
"Ships and facilities," Navy	21,363,000
"Ordnance and facilities," Navy	1,111,000
"Civil engineering," Navy	483,000
"Marine Corps troops and facilities"	800,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Military sciences	$91,167,023	$82,398,921	$89,149,424
2. Aircraft and related equipment	119,079,608	111,445,864	114,640,392
3. Missiles and related equipment	277,263,265	481,517,016	448,385,779
5. Ships and small craft and related equipment	131,732,992	158,354,676	167,515,420
6. Ordnance, combat vehicles, and related equipment	68,786,302	91,117,676	96,091,200
7. Other equipment	40,356,016	56,534,846	52,973,785
Total direct obligations	728,385,206	981,368,999	968,756,000
Reimbursable obligations:			
1. Military sciences	6,060,575	9,205,708	8,527,000
2. Aircraft and related equipment	804,778	799,526	730,000
3. Missiles and related equipment	3,893,048	5,875,755	5,366,000
5. Ships and small craft and related equipment	3,329,792	3,134,529	3,295,000
6. Ordnance, combat vehicles, and related equipment	2,166,677	3,106,490	3,107,000
7. Other equipment	499,325	804,992	800,000
Total reimbursable obligations	16,754,195	22,927,000	21,825,000
Total obligations	745,139,401	1,004,295,999	990,581,000
Financing:			
Comparative transfers from (–) other accounts	−142,482,333	−154,860,999	
Unobligated balance brought forward	−22,725,465	−10,228,978	−14,999,978
Unobligated balance transferred (1960 appropriation act) from—			
"Aircraft and related procurement, Navy"			−3,502,175
"Shipbuilding and conversion, Navy"			−900,000
"Procurement of ordnance and ammunition, Navy"			−5,899,863
"Procurement, Marine Corps"			−1,100,000
Advances and reimbursements from—			
Other accounts	−16,386,663	−22,802,000	−21,700,000
Non-Federal sources (10 U. S. C. 2481)	−367,532	−125,000	−125,000
Unobligated balance carried forward	10,228,978	14,999,978	28,566,016
New obligational authority	573,406,386	831,279,000	970,920,000
New obligational authority:			
Appropriation	$527,200,000	$821,285,000	$970,920,000
Transferred from "Emergency fund, Department of Defense" (70 Stat. 456; 71 Stat. 313)	47,813,800		
Transferred to "Expenses," Airways Modernization Board (31 U. S. C. 581c)	−1,607,414		
Appropriation (adjusted)	573,406,386	821,285,000	970,920,000
Proposed supplemental due to pay increases		9,994,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY			
Total number of permanent positions	24,014	23,205	23,168
Full-time equivalent of all other positions	12	12	12
Average number of all employees	21,701	21,718	21,734
Number of employees at end of year	21,501	22,017	22,088
Average GS grade and salary	9.0 $6,671	9.2 $7,546	9.2 $7,573
Average salary of ungraded positions	$5,021	$5,250	$5,269
Personal service obligations:			
Permanent positions	$120,914,091	$128,171,256	$128,345,594
Positions other than permanent	99,107	101,900	101,900
Other personal services	3,668,509	3,696,190	4,062,654
Total personal service obligations	124,681,707	131,969,346	132,510,148
Direct obligations:			
01 Personal services	119,544,432	126,799,901	127,339,703
02 Travel	3,144,720	4,076,256	4,106,750
03 Transportation of things	144,097	197,400	198,400
04 Communication services	733,102	798,298	806,100
05 Rents and utility services	3,840,799	4,509,510	4,709,000
06 Printing and reproduction	251,467	313,600	256,600
07 Other contractual services	391,478,793	612,523,490	565,282,110
Services performed by other agencies	3,414,757	3,328,000	3,635,000
08 Supplies and materials	115,873,372	125,586,543	133,646,160
09 Equipment	86,002,511	98,776,031	124,271,840
10 Lands and structures	166,747	174,700	177,000
11 Grants, subsidies, and contributions	7,607,051	8,155,750	8,170,737
15 Taxes and assessments	62,590	56,025	56,600
Subtotal	732,264,438	985,295,504	972,656,000
Deduct portion of foregoing obligations originally charged to object class 07	4,006,920	3,945,000	3,900,000
Total direct obligations	728,257,518	981,350,504	968,756,000
Reimbursable obligations:			
01 Personal services	5,137,275	5,169,445	5,170,445
02 Travel	150,251	164,253	193,000
03 Transportation of things	2,200	2,400	2,600
04 Communication services	38,809	50,500	57,000
05 Rents and utility services	616,304	900,994	906,000
06 Printing and reproduction	22,605	37,000	44,000
07 Other contractual services	7,901,342	12,715,776	11,274,000
08 Supplies and materials	798,870	941,209	1,192,255
09 Equipment	1,756,074	2,623,088	2,663,000
10 Lands and structures	5,500	6,000	6,000
11 Grants, subsidies, and contributions	322,795	314,535	314,900
15 Taxes and assessments	2,170	1,800	1,800
Total reimbursable obligations	16,754,195	22,927,000	21,825,000
Total, Navy	745,011,713	1,004,277,504	990,581,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	1	2	
Full-time equivalent of all other positions	3		
Average number of all employees	4	2	
Number of employees at end of year	0	2	
Average GS grade and salary	12.0 $7,570	7.9 $6,560	
01 Personal services:			
Permanent positions	$7,266	$14,350	
Positions other than permanent	21,110	656	
Other personal services	7	50	
Total personal services	28,383	15,056	
02 Travel	3,228		
07 Other contractual services	93,267	1,469	
08 Supplies and materials	2,008	1,070	
11 Grants, subsidies, and contributions	631	900	
15 Taxes and assessments	171		
Total allocation accounts	127,688	18,495	
Total obligations	745,139,401	1,004,295,999	990,581,000
Obligations are distributed as follows:			
Navy	$745,011,713	$1,004,277,504	$990,581,000
Department of the Interior:			
Bureau of Mines	1,561	17,370	
Geological Survey	1,783		
Department of Commerce (National Bureau of Standards)	73,318	469	
Army	56		
Department of Health, Education, and Welfare (Public Health Service)	8,215		
Federal Aviation Agency	36,845		
Library of Congress	5,910	656	

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RESEARCH, [AND] DEVELOPMENT, *TEST, AND EVALUATION, AIR FORCE*

For expenses necessary for basic and applied scientific research, [and] development, *test, and evaluation,* including maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, [$743,000,000] *$1,149,900,000,* to remain available until expended: *Provided,* That [no part of this appropriation shall be used for construction, maintenance, or rental of missile testing facilities until the fullest practical use is made of testing facilities and equipment at existing installations or those now under construction], *during the current fiscal year, there may be merged with this appropriation such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation, as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (5 U. S. C. 55a, 10 U. S. C. 174, 1581, 1584, 2271–2279, 2352–2354, 2386, 2663, 2672, 8012, 9503–9504, 9532; 31 U. S. C. 649 (c), 718; 40 U. S. C. 523; 50 U. S. C. App. 2093; 72 Stat. 241, 1793; Department of Defense Appropriation Act, 1959.)*

Appropriated 1959, **$743,000,000** Estimate 1960, [a] **$1,149,900,000**
Appropriated (adjusted) 1959, **$730,130,000**

[a] Includes $399,900,000 for activities previously carried under appropriations, as follows:
"Aircraft, missiles, and related procurement," Air Force $256,100,000
"Procurement other than aircraft and missiles," Air Force 123,600,000
"Operation and maintenance, Air Force" 20,200,000
The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Military sciences	$119,233,453	$131,906,000	$145,048,000
2. Aircraft and related equipment	263,427,787	330,832,000	348,534,000
3. Missiles and related equipment	304,718,125	325,621,000	317,759,000
4. Military astronautics and related equipment	4,185,826	14,179,000	2,150,000
6. Ordnance, combat vehicles, and related equipment	14,140,393	7,913,000	14,484,000
7. Other equipment	139,262,435	146,168,000	202,883,000
8. Programwide management and support	78,401,072	72,201,148	71,242,000
Total direct obligations	923,369,091	1,028,820,148	1,102,100,000
Reimbursable obligations:			
1. Military sciences	235,500	21,000	
2. Aircraft and related equipment	30,000		
6. Ordnance, combat vehicles, and related equipment	500,000		
7. Other equipment	15,000		
8. Programwide management and support	4,252,030	14,201,218	13,800,000
Total reimbursable obligations	5,032,530	14,222,218	13,800,000
Total obligations	928,401,621	1,043,042,366	1,115,900,000
Financing:			
Comparative transfers from (−) other accounts	−204,299,000	−271,208,000	
Unobligated balance brought forward	−76,600,240	−72,672,149	−55,000,000
Unobligated balance transferred from "Aircraft, missiles, and related procurement, Air Force" (1960 appropriation act)			−10,000,000
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from (−) or to other accounts	−217,206	1	
Advances and reimbursements from—			
Other accounts	−3,520,398	−12,305,557	−10,371,648
Non-Federal sources	−1,294,926	−1,916,661	−3,428,352
Unobligated balance carried forward	72,672,149	55,000,000	112,800,000
New obligational authority	715,142,000	739,940,000	1,149,900,000
New obligational authority:			
Appropriation	$691,000,000	$743,000,000	$1,149,900,000
Transferred from "Emergency fund, Department of Defense" (71 Stat. 313 as amended by 72 Stat. 7, 713)	29,435,000		
Transferred to—			
"Research and development," National Aeronautics and Space Administration (72 Stat. 433)		−12,700,000	
"Expenses," Airways Modernization Board (31 U. S. C. 581c)	−5,293,000		
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 712)		−170,000	
Appropriation (adjusted)	715,142,000	730,130,000	1,149,900,000
Proposed supplemental due to pay increases		9,810,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE			
Total number of permanent positions	24,685	22,633	22,741
Full-time equivalent of all other positions	15	30	35
Average number of all employees	22,756	22,341	21,952
Number of employees at end of year	22,505	21,915	21,876
Average GS grade and salary	7.4 $5,629	7.6 $6,360	7.6 $6,410
Average salary of ungraded positions	$5,455	$5,668	$5,890
01 Personal services:			
Permanent positions	$130,720,780	$135,707,903	$135,600,288
Positions other than permanent	152,128	225,746	272,785
Other personal services	2,799,541	3,648,476	4,188,927
Total personal services	133,672,449	139,582,125	140,062,000
Direct obligations:			
01 Personal services	133,253,339	139,078,009	139,559,000
02 Travel	6,044,798	7,875,088	8,784,000
03 Transportation of things	2,173,400	5,905,682	5,966,000
04 Communication services	1,985,589	2,205,890	2,237,000
05 Rents and utility services	10,244,285	13,213,791	16,217,000
06 Printing and reproduction	586,191	707,088	812,000
07 Other contractual services	475,614,476	552,396,411	636,383,000
Services performed by other agencies	49,936,198	46,792,384	40,800,000
08 Supplies and materials	51,701,257	52,911,734	51,455,000
09 Equipment	183,497,386	198,830,311	189,694,000
10 Lands and structures			1,250,000
11 Grants, subsidies, and contributions	8,003,347	8,566,643	8,626,000
13 Refunds, awards, and indemnities	329,440	304,000	333,000
15 Taxes and assessments	55,315	41,360	56,000
Subtotal	923,425,021	1,028,828,391	1,102,172,000
Deduct quarters and subsistence charges	68,307	71,318	72,000
Total direct obligations	923,356,714	1,028,757,073	1,102,100,000
Reimbursable obligations:			
01 Personal services	419,110	557,116	556,000
02 Travel	215,918	233,912	184,000
03 Transportation of things	49,632	39,618	11,000
04 Communication services	732,411	744,110	801,000
05 Rents and utility services	699,516	1,508,209	1,736,000
06 Printing and reproduction	6,124	10,000	10,000
07 Other contractual services	1,265,210	2,187,975	2,366,000
Services performed by other agencies	119,802	207,616	200,000
08 Supplies and materials	1,343,912	8,169,510	7,476,000
09 Equipment	174,881	558,152	454,000
15 Taxes and assessments	6,014	6,000	6,000
Total reimbursable obligations	5,032,530	14,222,218	13,800,000
Total, Air Force	928,389,244	1,042,979,291	1,115,900,000
ALLOCATION ACCOUNTS			
Average number of all employees	2	3	
Number of employees at end of year	0	3	
01 Personal services: Positions other than permanent [1]	$8,933	$26,504	
02 Travel	113	4,000	
03 Transportation of things	14		
04 Communication services	19		
07 Other contractual services	1,502	26,049	
08 Supplies and materials	925	4,853	
09 Equipment	414		
11 Grants, subsidies and contributions	457	1,669	
Total, allocation accounts	12,377	63,075	
Total obligations	928,401,621	1,043,042,366	$1,115,900,000
Obligations are distributed as follows:			
Air Force	$928,389,244	$1,042,979,291	$1,115,900,000
Department of Commerce	10,755	62,544	
Library of Congress	1,622	531	

[1] Portion of salaries carried in schedules to be submitted by Department of Commerce.

SALARIES AND EXPENSES, ADVANCED RESEARCH PROJECTS AGENCY, *DEPARTMENT OF DEFENSE*

[SALARIES AND EXPENSES]

For expenses necessary for such advanced research projects as may be designated and determined by the Secretary of Defense, [$520,000,000] *pursuant to law, $455,000,000,* to remain available until expended: *Provided,* That such amounts as may be determined by the Secretary of Defense to have been made available for related programs in other appropriations available to the Department of

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RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

Current authorizations—Continued

Salaries and Expenses, Advanced Research Projects Agency, *Department of Defense*—Continued

[SALARIES AND EXPENSES]—continued

Defense during the current fiscal year may be transferred to and merged with this appropriation to be available for the same purposes and time period: *Provided further*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs, to be merged with and to be available for the same time period as the appropriation to which transferred. (*Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$520,000,000** Estimate 1960, **$455,000,000**
Appropriated (adjusted) **$399,742,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Military sciences		$13,700,000	$18,000,000
3. Missiles and related equipment	$1,238,389	80,000,000	128,100,000
4. Military astronautics and related equipment	13,236,576	331,726,000	307,000,000
8. Programwide management and support	1,041,229	1,900,000	1,900,000
Total obligations	15,516,194	427,326,000	455,000,000
Financing:			
Unobligated balance brought forward		−67,583,806	−39,999,806
Unobligated balance carried forward	67,583,806	39,999,806	39,999,806
New obligational authority	83,100,000	399,742,000	455,000,000
New obligational authority:			
Appropriation		$520,000,000	$455,000,000
Transferred from—			
"Contingencies, Department of Defense" (72 Stat. 7)	$10,000,000		
"Emergency fund, Department of Defense" (71 Stat. 313; 72 Stat. 7)	73,100,000		
"Research, development, test, and evaluation, Air Force" (72 Stat. 712)		170,000	
Aircraft, missiles, and related procurement," Air Force (72 Stat. 712)		8,500,000	
Transferred to—			
"Construction, Advanced Research Projects Agency, Department of Defense" (72 Stat. 1096)		−12,018,000	
"Procurement of equipment and missiles, Army" (72 Stat. 712)		−42,210,000	
"Research, development, test, and evaluation, Army" (72 Stat. 712)		−15,500,000	
"Research and development," National Aeronautics and Space Administration (72 Stat. 433)		−59,200,000	
Appropriation (adjusted)	83,100,000	399,742,000	455,000,000

Object Classification

Total number of permanent positions	19	30	30
Full-time equivalent of all other positions		1	1
Average number of all employees	4	28	31
Number of employees at end of year	20	31	31
Average GS grade and salary	9.4 $7,174	10.3 $8,588	10.3 $8,671
01 Personal services:			
Permanent positions	$28,319	$252,600	$277,100
Positions other than permanent	1,050	15,000	15,000
Other personal services	817	2,600	2,600
Total personal services	30,186	270,200	294,700
02 Travel	5,673	45,000	50,000
03 Transportation of things	5	500	500
04 Communication services	9	10,000	10,000
06 Printing and reproduction	465	3,000	3,000
07 Other contractual services	15,406,597	388,984,600	454,614,300
08 Supplies and materials	1,956	4,000	4,000
09 Equipment	69,436	8,300	3,400
10 Lands and structures		37,982,000	
11 Grants, subsidies, and contributions	1,833	16,400	18,100
13 Refunds, awards, and indemnities		1,500	1,500
15 Taxes and assessments	34	500	500
Total obligations	15,516,194	427,326,000	455,000,000

Emergency Fund, *Department of Defense*

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, development, test, and evaluation, or procurement or production related thereto, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred, $150,000,000, and in addition not to exceed $150,000,000 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 designate: *Provided*, That any appropriations transferred shall not exceed 7 per centum of the appropriation from which transferred. (*Department of Defense Appropriation Act, 1959.*)

Appropriated 1959, **$150,000,000** Estimate 1960, **$150,000,000**
Appropriated (adjusted) 1959, **$136,072,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Research and development contingencies (reserve for transfer)		$136,072,000	$150,000,000
Financing:			
New obligational authority		136,072,000	150,000,000
New obligational authority:			
Appropriation	$85,000,000	$150,000,000	$150,000,000
Transferred (71 Stat. 313; 72 Stat. 7, 243, 713) to—			
"Salaries and expenses, Secretary of Defense"	−1,000,000	−751,000	
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense"	−73,100,000		
"Research, development, test, and evaluation, Army"	−82,111,000	−13,177,000	
"Research, development, test, and evaluation, Navy"	−47,813,800		
"Research, development, test, and evaluation, Air Force"	−29,435,000		
Transferred (71 Stat. 313; 72 Stat. 7) from—			
"Operation and maintenance, Army"	61,046,800		
"Reserve personnel, Navy"	2,732,000		
"Navy personnel, general expenses"	700,000		
"Military personnel, Marine Corps"	13,551,000		
"Aircraft and facilities," Navy	11,900,000		
"Ships and facilities," Navy	900,000		
"Civil engineering," Navy	3,630,000		
"Servicewide operations," Navy	2,600,000		
"Aircraft, missiles, and related procurement," Air Force	33,000,000		
"Operation and maintenance, Air Force"	18,400,000		
Appropriation (adjusted)		136,072,000	150,000,000

Object Classification

Undistributed		$136,072,000	$150,000,000

United States Scientific Satellite

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Contribution to scientific satellite (total obligations)	$34,200,000		
Financing:			
Unobligated balance transferred to "Research and development," National Aeronautics and Space Administration (72 Stat. 433)		−$25,541,282	
Recovery of prior year obligations		25,541,282	
New obligational authority	34,200,000		

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
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 authority to transfer funds from other appropriations to meet expenses of Defense participation in the Vanguard scientific satellite project, a part of the national scientific effort related to the International Geophysical Year. This project, together with the available funds, has been transferred to the National Aeronautics and Space Administration.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$34,200,000		

MILITARY CONSTRUCTION

The military construction programs for the Armed Forces, both Regular and Reserve, in terms of dollar obligations shown in the individual schedules of this title are summarized in the following table:

MILITARY CONSTRUCTION OBLIGATIONS

	1958 actual	*1959 estimate*	*1960 estimate*
Current authorizations:			
Regular	$1,549,590,327	$1,931,090,800	$579,518,432
Reserve	94,193,753	74,784,000	18,231,647
Proposed for later transmission under proposed legislation, 1960:			
Regular			954,681,568
Reserve			51,768,353
Total:			
Regular	1,549,590,327	1,931,090,800	1,534,200,000
Reserve	94,193,753	74,784,000	70,000,000
Total construction	1,643,784,080	2,005,874,800	1,604,200,000

The following narrative statement covers the three regular military construction appropriations for the Army, Navy, and Air Force as set forth in the supporting schedules. The amounts shown for 1960 represent continuation of previously authorized programs. Additional amounts anticipated for 1960 are proposed for later transmission.

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 Public Law 85–685 and prior military public works authorization acts. These projects support the current and long-range programs to strengthen and modernize the Regular Armed Forces and include operational and training, maintenance, research and development, supply, medical, and administrative facilities, family housing, troop housing, community facilities, and utilities.

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, and rehabilitation of inadequate public quarters.

Current authorizations:

[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 section 102 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 September 1, 1954 (Public Law 765), the Act of July 15, 1955 (Public Law 161), the Act of August 3, 1956 (Public Law 968), the Act of August 30, 1957 (Public Law 85–241), and such additional projects as may be authorized by law during the second 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, $230,000,000.] (*Military Construction Appropriation Act, 1959.*)

Appropriated 1959, **$230,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$336,194,631	$222,000,000	$84,878,376
2. Minor construction	8,168,363	8,000,000	1,000,000
3. Planning	4,616,803	14,000,000	4,000,000
4. Supporting activities	7,403,351	6,000,000	5,000,000
Total direct obligations	356,383,148	250,000,000	94,878,376
Reimbursable obligations:			
4. Supporting activities	6,172,497	8,000,000	8,000,000
Total obligations	362,555,645	258,000,000	102,878,376
Financing:			
Unobligated balance brought forward	−161,261,524	−114,878,376	−94,878,376
Advances and reimbursements from—			
Other accounts	−84,696		
Non-Federal sources (69 Stat. 646)	−6,087,801	−8,000,000	−8,000,000
Unobligated balance carried forward	114,878,376	94,878,376	
Appropriation (new obligational authority)	310,000,000	230,000,000	

Object Classification

MILITARY CONSTRUCTION, ARMY	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	5,942	5,403	5,383
Full-time equivalent of all other positions	79	43	43
Average number of all employees	5,670	5,128	5,107
Number of employees at end of year	5,423	4,890	4,895
Average GS grade and salary	7.6 $5,635	7.6 $6,207	7.6 $6,213
Average salary of ungraded positions	$5,054	$5,046	$5,061
Personal service obligations:			
Permanent positions	$27,001,795	$26,084,596	$27,359,283
Positions other than permanent	255,458	142,000	142,000
Other personal services	1,225,900	1,146,404	1,251,217
Total personal service obligations	28,483,153	27,373,000	28,752,500
Direct obligations:			
01 Personal services	25,158,086	23,805,000	25,165,700
02 Travel	760,187	750,000	750,000
03 Transportation of things	914,290	750,000	500,000
04 Communication services	135,743	125,000	125,000
05 Rents and utility services	274,561	200,000	200,000
06 Printing and reproduction	179,763	150,000	150,000
07 Other contractual services	30,350,040	25,000,000	5,000,000
Services performed by other agencies	50,000	50,000	50,000
Labor contracts with foreign governments [1]	176,115	190,000	190,000
08 Supplies and materials	6,692,759	5,500,000	4,000,000
09 Equipment	12,688,194	10,000,000	8,000,000
10 Lands and structures	274,467,359	177,125,307	49,391,676
11 Grants, subsidies, and contributions	1,040,582	1,000,000	1,050,000

[1] Average number persons—1958, 91; 1959, 110; 1960, 110.

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

[MILITARY CONSTRUCTION, ARMY]—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
MILITARY CONSTRUCTION, ARMY—CON.			
Direct obligations—Continued			
13 Refunds, awards, and indemnities	$40,474	$40,000	$40,000
15 Taxes and assessments	176,948	122,000	130,000
Total direct obligations	353,105,101	244,807,307	94,742,376
Reimbursable obligations:			
01 Personal services	3,325,067	3,568,000	3,586,800
02 Travel	65,000	90,000	90,000
07 Other contractual services	2,627,612	4,148,000	4,129,200
11 Grants, subsidies, and contributions	154,818	194,000	194,000
Total reimbursable obligations	6,172,497	8,000,000	8,000,000
Total, Army	359,277,598	252,807,307	102,742,376
ALLOCATION ACCOUNTS			
Total number of permanent positions	195	21	11
Full time equivalent of all other positions	62	2	1
Average number of all employees	177	22	12
Number of employees at end of year	19	20	11
Average GS grade and salary	12.2 $9,263	12.2 $10,682	12.2 $10,767
01 Personal services:			
Permanent positions	$514,416	$154,759	$115,214
Positions other than permanent	228,182	12,000	5,000
Other personal services	160,608	5,441	2,386
Total personal services	903,206	172,200	122,600
02 Travel	10,794	5,000	3,000
03 Transportation of things	8,056	100	
04 Communication services	816	800	500
05 Rents and utility services	1,183	5,800	
06 Printing and reproduction	596	1,600	500
07 Other contractual services	96,134	24,909	1,000
08 Supplies and materials	204,635	1,183	422
09 Equipment	69,985		
10 Lands and structures	1,949,433	4,970,184	
11 Grants, subsidies, and contributions	17,668	10,514	7,575
12 Pensions, annuities, and insurance claims	277	403	403
13 Refunds, awards, and indemnities	2,343		
15 Taxes and assessments	12,921		
Total, allocation accounts	3,278,047	5,192,693	136,000
Total obligations	362,555,645	258,000,000	102,878,376
Obligations are distributed as follows:			
Army	$359,277,598	$252,807,307	$102,742,376
Office of Civil and Defense Mobilization	106,541	135,000	136,000
Bureau of Public Roads, Department of Commerce	2,004,550	4,862,784	
Atomic Energy Commission		175,000	
Bureau of Mines, Department of the Interior	1,137,608	11,000	
Panama Canal	23,444	8,905	
National Bureau of Standards, Department of Commerce	5,904	4	

[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 201 of the Act of August 7, 1953 (Public Law 209), sections 201 and 202 of 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), the Act of August 30, 1957 (Public Law 85–241), and such additional projects as may be authorized by law during the second 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, $295,000,000: *Provided*, That no more than $500,000 of the amount provided in the funding program for "Operational and Training Facilities, Naval Shipyard, Long Beach, California" shall be utilized for protective works until the Secretary of the Navy determines in his judgment that sufficient action has been taken or arrangements made to arrest further subsidence of the shipyard.] (*31 U. S. C. 635; Military Construction Appropriation Act, 1959.*)

Appropriated 1959, **$295,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$286,876,552	$320,096,000	$74,465,000
2. Minor construction	935,116	3,000,000	1,865,000
3. Planning	9,071,016	15,450,000	2,046,000
4. Supporting activities	6,942,911	4,454,000	3,663,000
Total direct obligations	303,825,595	343,000,000	82,039,000
Reimbursable obligations:			
4. Supporting activities	665,942	3,000,000	3,000,000
Total obligations	304,491,537	346,000,000	85,039,000
Financing:			
Unobligated balance brought forward	−177,927,240	−139,101,645	−110,101,645
Advances and reimbursements from—			
Other accounts	−432,805	−2,000,000	−2,000,000
Non Federal sources (69 Stat. 646)	−233,137	−1,000,000	−1,000,000
Recovery of prior year obligations		−19,000,000	
Unobligated balance carried forward	139,101,645	110,101,645	28,062,645
Appropriation (new obligational authority)	265,000,000	295,000,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
MILITARY CONSTRUCTION, NAVY			
Total number of permanent positions	2,566	2,925	2,914
Average number of all employees	2,219	2,536	2,573
Number of employees at end of year	2,339	2,571	2,568
Average GS grade and salary	7.0 $5,340	7.0 $5,890	7.0 $5,910
Average salary of ungraded positions	$4,250	$4,300	$4,350
Personal service obligations:			
Permanent positions	$12,172,485	$15,063,820	$15,346,700
Other personal services	810,743	1,045,780	1,116,900
Total personal service obligations	12,983,228	16,109,600	16,463,600
Direct obligations:			
01 Personal services	12,983,228	14,529,600	14,766,600
02 Travel	696,862	725,000	565,000
03 Transportation of things	1,280,600	1,300,000	900,000
04 Communication services	109,476	110,000	95,000
05 Rents and utility services	54,399	100,000	85,000
06 Printing and reproduction	250,143	400,000	350,000
07 Other contractual services	3,912,877	5,025,000	3,000,000
Services performed by other agencies	476,038	480,000	445,000
Private foreign labor contracts [1]	138,265	100,000	100,000
08 Supplies and materials	12,455,606	12,500,000	10,000,000
09 Equipment	16,299,857	16,500,000	14,000,000
10 Lands and structures	253,828,374	287,487,030	34,559,400
11 Grants, subsidies, and contributions	639,140	650,000	623,000
15 Taxes and assessments	8,487	60,000	50,000
Total direct obligations	303,133,352	339,966,630	79,739,000
Reimbursable obligations:			
01 Personal services		1,580,000	1,697,000
02 Travel		25,000	25,000
07 Other contractual services	665,942	1,395,000	1,278,000
Total reimbursable obligations	665,942	3,000,000	3,000,000
Total, Navy	303,799,294	342,966,630	82,539,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	9	13	6
Full time equivalent of all other positions	1	3	2
Average number of all employees	8	15	7
Number of employees at end of year	8	6	6
Average GS grade and salary	7.0 $5,340	7.0 $5,890	7.0 $5,910
01 Personal services			
Permanent positions	$42,268	$77,180	$29,200
Positions other than permanent	4,413	8,790	7,000
Other personal services	3,182	3,430	2,100
Total personal services	49,863	89,400	38,300
02 Travel	8,808	25,267	12,000
03 Transportation of things	169	200	100
04 Communication services	3	300	300
05 Rents and utility services	86	6,000	6,000
06 Printing and reproduction	5	100	100
07 Other contractual services	693	426	
Services performed by other agencies	40,843	90,920	9,000
08 Supplies and materials	1,155	4,718	600
10 Lands and structures	587,405	2,810,840	2,431,600
11 Grants, subsidies, and contributions	3,142	4,955	1,900
15 Taxes and assessments	71	244	100
Total, allocation accounts	692,243	3,033,370	2,500,000
Total obligations	304,491,537	346,000,000	85,039,000

[1] Average number of persons: 1958, 94; 1959, 70; 1960, 70.

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Obligations are distributed as follows:			
Navy	$303,799,294	$342,966,630	$82,539,000
Army	203,245	732,944	
Federal Aviation Agency	5,727		
Bureau of Public Roads, Department of Commerce	483,271	2,300,000	2,500,000
Bureau of Mines, Department of the Interior		426	

[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 chapter 133 of title 10, United States Code, by section 302 of the Act of July 14, 1952 (Public Law 534), the Act of April 1, 1954 (Public Law 325), 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), the Act of August 30, 1957 (Public Law 85–241), the Act of February 12, 1958 (Public Law 85–325), and such additional projects as may be authorized by law during the second 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, including $4,401,000 to be used only for the construction of a solar furnace at Holloman Air Force Base, $785,000,000, of which $683,000 is for the construction of a dam for the purpose of increasing the water supply for Pease Air Force Base together with the unexpended portion of funds heretofore made available for that purpose.] (*Military Construction Appropriation Act, 1959.*)

Appropriated 1959, **$785,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$788,890,512	$1,183,000,000	$360,601,056
2. Minor construction	16,986,216	18,000,000	1,000,000
3. Planning	39,419,338	50,000,000	22,000,000
4. Supporting activities	22,944,227	40,000,000	4,000,000
5. Reserve forces construction	16,170,234	9,000,000	
Total direct obligations	884,410,527	1,300,000,000	387,601,056
Reimbursable obligations:			
4. Supporting activities	2,581,503	4,000,000	4,000,000
Total obligations	886,992,030	1,304,000,000	391,601,056
Financing:			
Unobligated balance brought forward	−367,011,583	−902,601,056	−387,601,056
Advances and reimbursements from non-Federal sources (69 Stat. 646)	−2,581,503	−4,000,000	−4,000,000
Unobligated balance carried forward	902,601,056	387,601,056	
Appropriation (new obligational authority)	1,420,000,000	785,000,000	

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. This activity will be a separate appropriation for 1960 as shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
MILITARY CONSTRUCTION, AIR FORCE			
Direct obligations:			
07 Other contractual services	$39,419,338	$50,000,000	$22,000,000
10 Land and structures	759,489,794	1,145,976,000	273,098,056
Total direct obligations	798,909,132	1,195,976,000	295,098,056
Reimbursable obligations:			
07 Other contractual services	2,581,503	4,000,000	4,000,000
Total, Air Force	801,490,635	1,199,976,000	299,098,056
ALLOCATION ACCOUNTS			
Total number of permanent positions	9,434	9,922	9,722
Full-time equivalent of all other positions	110	112	110
Average number of all employees	9,018	9,346	9,251
Number of employees at end of year	9,030	9,182	9,208
Average GS grade and salary	7.5 $5,565	7.4 $6,157	7.4 $6,182
01 Personal services:			
Permanent positions	$50,491,406	$55,434,256	$55,314,435
Positions other than permanent	408,187	417,700	409,500
Other personal services	3,516,113	3,391,844	3,603,065
Total personal services	54,415,706	59,243,800	59,327,000
02 Travel	79,116	15,000	10,000
03 Transportation of things	502	200	200
04 Communication services	15,196	500	500
05 Rents and utility services	3,525	1,200	1,200
06 Printing and reproduction	23,097	500	500
07 Other contractual services	350,411	1,894,700	1,845,900
08 Supplies and materials	50,649	2,200	2,200
09 Equipment	6,819		
10 Lands and structures	27,659,343	39,491,500	28,000,800
11 Grants, subsidies, and contributions	2,826,012	3,304,100	3,244,900
13 Refunds, awards, and indemnities	51,600	51,000	51,000
15 Taxes and assessments	19,419	19,300	18,800
Total allocation accounts	85,501,395	104,024,000	92,503,000
Total obligations	886,992,030	1,304,000,000	391,601,056
Obligations are distributed as follows:			
Air Force	$801,490,635	$1,199,976,000	$299,098,056
Navy	23,642,224	36,176,000	24,627,000
Army	56,220,273	62,748,000	62,776,000
Department of Commerce	5,638,898	5,100,000	5,100,000

[Advanced Research Projects Agency]

[Construction]

[For construction as authorized by title IV of the Act of ——— (Public Law ———), to remain available until expended, not to exceed $50,000,000, to be derived by transfer from funds available to the Office of the Secretary of Defense for advanced research projects.] (*Public Law 85–685, approved Aug. 20, 1958; Military Construction Appropriation Act, 1959.*)

Appropriated 1959, **$0**
Appropriated (adjusted) 1959, **$12,018,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction (total obligations)		$12,018,000	
Financing:			
New obligational authority		12,018,000	
New obligational authority:			
Appropriation			
Transferred from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 1096)		$12,018,000	
Appropriation (adjusted)		12,018,000	

This program provides for construction as authorized by the act of August 20, 1958 (Public Law 85–685), of installations and facilities required for advanced research projects. Funds for this purpose are derived by transfer from the appropriation to the Office of the Secretary of Defense for advanced research projects pursuant to the Military Construction Appropriation Act of 1959 (Public Law 85–852).

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures		$12,018,000	

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

[MILITARY CONSTRUCTION, ARMY RESERVE FORCES]

[For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components, including the Army National Guard of the United States, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, as amended, and as may be authorized by law during the second 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, and land and interest therein may be acquired, constructed, and prosecuted thereon prior to approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended; and hire of passenger motor vehicles; to remain available until expended. $6,250,000.] (*Military Construction Appropriation Act, 1959.*)

Appropriated 1959, **$6,250,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Training centers (total obligations)	$22,714,634	$23,000,000	$5,980,880
Financing:			
Comparative transfers to other accounts	15,844,841	15,000,000	
Unobligated balance brought forward	−28,076,301	−44,517,206	−12,767,206
Unobligated balance transferred to "Military construction, Army National Guard" (1960 appropriation act)			6,786,326
Advances and reimbursements from non-Federal sources	−380		
Unobligated balance carried forward	44,517,206	12,767,206	
Appropriation (new obligational authority)	55,000,000	6,250,000	

This program provides for acquisition of Army Reserve training centers; 225 centers had been constructed or placed under contract through 1957, 80 centers were placed under contract during 1958, and approximately 70 centers a year are planned for 1959 and 1960.

The amounts shown for 1960 represent obligations for previously approved projects. An additional amount for such projects and projects to be submitted under proposed legislation is proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	341	369	352
Average number of all employees	334	351	345
Number of employees at end of year	369	340	340
Average GS grade and salary	7.8 $5,730	7.8 $6,339	7.8 $6,350
Average salary of ungraded positions	$4,733	$4,733	$4,733
Direct obligations:			
01 Personal services:			
Permanent positions	$1,957,389	$2,200,948	$2,171,000
Other personal services	31,642	21,052	29,000
Total personal services	1,989,031	2,222,000	2,200,000
02 Travel	56,661	61,800	
03 Transportation of things	3,518	4,000	
04 Communication services	10,269	11,200	
05 Rents and utility services	17,766	19,400	
06 Printing and reproduction	21,270	23,200	
07 Other contractual services	327,295	356,500	
08 Supplies and materials	28,503	31,500	
09 Equipment	1,368	1,600	
10 Land and structures	20,134,666	20,129,878	3,780,880
11 Grants, subsidies, and contributions	123,705	138,800	
13 Refunds, awards, and indemnities	37		
15 Taxes and assessments	165	122	
Total direct obligations	22,714,254	23,000,000	5,980,880
Reimbursable obligations:			
08 Supplies and materials	380		
Total obligations	22,714,634	23,000,000	5,980,880

[MILITARY CONSTRUCTION, NAVAL RESERVE FORCES]

[For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps, as authorized by chapter 133 of title 10, United States Code, as amended, and such additional projects as may be authorized by law during the second session of the Eighty-fifth Congress, without regard to 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, Revised Statutes, as amended, to remain available until expended, $8,000,000.] (*40 U. S. C. 259, 267; 10 U. S. C. 2231–7; Military Construction Appropriation Act, 1959.*)

Appropriated 1959, **$8,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Aviation facilities	$6,386,761	$9,400,000	$3,964,441
2. Naval surface facilities	4,686,665	3,600,000	700,000
3. Marine ground facilities	2,186,754	2,000,000	800,000
Total obligations	13,260,180	15,000,000	5,464,441
Financing:			
Unobligated balance brought forward	−25,724,611	−12,464,441	−5,464,441
Advances and reimbursements from other accounts	−10		
Unobligated balance carried forward	12,464,441	5,464,441	
Appropriation (new obligational authority)		8,000,000	

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 requirement for Naval and Marine facilities provide for the construction of training centers and for pier facilities for ships manned by selected Ready Reserve units.

The amounts shown for 1960 represent obligations for previously approved projects. An additional amount for projects to be submitted under proposed legislation is shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	96	74	
Average number of all employees	87	42	
Number of employees at end of year	74	0	
Average GS grade and salary	7.0 $5,340	7.0 $5,890	
01 Personal services:			
Permanent positions	$503,892	$251,310	
Other personal services	19,435	9,690	
Total personal services	523,327	261,000	
02 Travel	42,136	20,000	
03 Transportation of things	4,437	2,500	
04 Communication services	9,560	4,500	
05 Rents and utility services	2,712	2,500	
06 Printing and reproduction	5,164	2,500	
07 Other contractual services	1,322,191	956,000	$530,051
08 Supplies and materials	321,762	300,000	125,682
09 Equipment	156,770	150,000	65,573
10 Lands and structures	10,848,469	13,288,700	4,743,135
11 Grants, subsidies, and contributions	22,813	11,000	
15 Taxes and assessments	839	1,300	
Total obligations	13,260,180	15,000,000	5,464,441

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MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Armory construction	$13,190,188	$13,000,000	$6,786,326
2. Nonarmory construction	2,654,653	2,000,000	
Total obligations	15,844,841	15,000,000	6,786,326
Financing:			
Comparative transfers from (−) other accounts	−15,844,841	−15,000,000	
Unobligated balance transferred from "Military construction, Army Reserve" (1960 appropriation act)			−6,786,326
Unobligated balance carried forward			
Appropriation (new obligational authority)			

This program is to provide adequate training and storage facilities for the Army National Guard.

1. *Armory construction.*—Requirements include construction of new armories and expansion and modification of existing armories. There were 121 projects initiated in 1958.

2. *Nonarmory construction.*—Requirements include construction of maintenance shops, field training facilities, and storage facilities.

The amounts shown for 1960 represent obligations for previously approved projects. An additional amount for such projects and projects to be submitted under proposed legislation is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures	$15,844,841	$15,000,000	$6,786,326

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
National Guard facilities (total obligations)	$26,203,864	$12,784,000	
Financing:			
Comparative transfers from (−) other accounts	−26,203,864	−12,784,000	
Appropriation (new obligational authority)			

This program provides for the construction of such types of facilities as aircraft parking aprons, runway extensions, and storage or training buildings. An additional amount for 1960 to provide for projects to be submitted under proposed legislation is shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
MILITARY CONSTRUCTION, AIR NATIONAL GUARD			
10 Land and structures	$24,146,410	$11,082,000	
ALLOCATION TO ARMY			
Total number of permanent positions	325	246	
Full-time equivalent of all other positions	12		
Average number of all employees	337	246	
Number of employees at end of year	316	230	
Average GS grade and salary	7.6 $5,635	7.6 $6,207	
Average salary of ungraded positions	$5,054	$5,046	

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO ARMY—continued			
01 Personal services:			
Permanent positions	$1,911,911	$1,612,000	
Positions other than permanent	55,190		
Other personal services	90,353	90,000	
Total personal services	2,057,454	1,702,000	
Total obligations	26,203,864	12,784,000	

[LORAN STATIONS] (DEPARTMENT OF DEFENSE)

[For construction of additional loran stations by the Coast Guard, to remain available until expended, $20,000,000, which shall be transferred on approval of the Secretary of Defense to the appropriation, "Acquisition, construction, and improvements", Coast Guard]. (*Military Construction Appropriation Act, 1959.*)

Appropriated 1959, **$20,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction (total obligations)	$5,500,000	$20,000,000	
Financing:			
Appropriation (new obligational authority)	5,500,000	20,000,000	

These funds are advanced to the Coast Guard for construction of loran stations in areas essential to the defense of the United States. Loran transmitting stations permit safe and effective operation of ships, submarines, and aircraft of the military services 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.

The amount anticipated to be needed in 1960 for loran stations is shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services: Services performed by other agencies	$5,500,000	$20,000,000	

OLYMPIC WINTER GAMES, DEPARTMENT OF DEFENSE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Olympic winter games (total obligations)	$3,500,000		
Financing:			
New obligational authority	3,500,000		
New obligational authority:			
Appropriation	$0		
Transferred from "Contingencies, Department of Defense" (72 Stat. 109)	3,500,000		
Appropriation (adjusted)	3,500,000		

This program provided for the construction of a sports arena at Squaw Valley, Calif., suitable for the VIII Olympic Winter Games, 1960, as authorized by the act of April 3, 1958 (Public Law 85–365).

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$3,500,000		

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

Construction, Alaska Communication System, Army

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of buildings, quarters, and utilities (total obligations)	$184,494	$72,800	
Financing:			
Unobligated balance brought forward	−856,703	−672,209	−$599,409
Unobligated balance carried forward	672,209	599,409	599,409
Appropriation (new obligational authority)			

The Alaska Communication System furnishes internal and external telegraph and long distance telephone service for Alaska. 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 1959 will permit completion of projects at Lena Point, Nome, Bethel, and Kotzebue which were initiated in 1957, and a combination troop housing and operations building at Adak, initiated in 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	6	1	
Average number of all employees	4	1	
Number of employees at end of year	6	1	
Average GS grade and salary	7.6 $5,635	7.6 $6,207	
01 Personal services:			
Permanent positions	$24,068	$6,207	
Other personal services	6,877		
Total personal services	30,945	6,207	
10 Lands and structures	151,979	66,093	
11 Grants, subsidies, and contributions	1,570	500	
Total obligations	184,494	72,800	

Access Roads, Department of Defense

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
National defense access roads (total obligations)	$2,026,861		
Financing:			
Unobligated balance brought forward	−2,027,163		
Unobligated balance rescinded (72 Stat. 713)	302		
Appropriation (new obligational authority)			

The Secretary of Defense advanced funds from this account to the Bureau of Public Roads, Department of Commerce, for the construction of access roads important to the national defense. Current funds for this purpose are included in the military construction accounts.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2	2	
Full-time equivalent of all other positions	2	3	
Average number of all employees	4	4	
Number of employees at end of year	1	1	

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Average GS grade and salary	7.7 $5,883	7.8 $6,502	
01 Personal services:			
Permanent positions	$9,741	$6,200	
Positions other than permanent	10,623	19,485	
Other personal services	5,167	2,290	
Total personal services	25,531	27,975	
02 Travel	2,783	2,800	
03 Transportation of things	153		
04 Communication services	13		
05 Rents and utility services	37		
06 Printing and reproduction	168		
07 Other contractual services	17,680	62,239	
08 Supplies and materials	54		
10 Lands and structures	1,979,164		
11 Grants, subsidies, and contributions	1,278	400	
15 Taxes and assessments		440	
Subtotal	2,026,861	93,854	
Deduct portion of foregoing obligations originally charged to object class 10		93,854	
Total obligations	2,026,861		

Family Housing, Department of Defense

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Family housing (total obligations)	$509,994		
Financing:			
Unobligated balance brought forward	−3,310,582		
Unobligated balance no longer available	2,800,588		
Appropriation (new obligational authority)			

The Secretary of Defense was authorized to make available to the respective military departments funds for military family housing. Current funds for this purpose are included in the military construction accounts.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	27		
Average number of all employees	24		
Number of employees at end of year	5		
Average GS grade and salary	7.6 $5,635		
01 Personal services:			
Permanent positions	$129,642		
Other personal services	2,262		
Total personal services	131,904		
07 Other contractual services	177,625		
08 Supplies and materials	4,690		
10 Land and structures	187,672		
11 Grants, subsidies, and contributions	8,103		
Total obligations	509,994		

Capehart Housing

The Department of Defense is authorized under title VIII of the National Housing Act, as amended (69 Stat. 646), to contract for the construction of family housing on military installations in the United States, its Territories, and possessions and assume mortgage indebtedness, not to exceed $2.3 billion in principal obligations outstanding at any time, required to fund such construction. Mortgage funds are provided through private investment and through the Federal National Mortgage Association under a special assistance fund authorization. The mortgages are insured by the Federal Housing Administration

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through the armed services housing mortgage insurance fund authorized for this purpose, for which insurance premiums are charged at the rate of ¼ of 1% per annum on the outstanding principal obligations of the mortgages. The mortgages have a maturity date not to exceed 25 years and are amortized by periodic payments which provide for reduction of the principal obligation, and interest at a rate not to exceed 4½% per annum. No mortgage may involve a principal obligation which exceeds the lower of: (*a*) the Federal Housing Administration estimate for replacement cost of the completed housing project; (*b*) an average of $16,500 per family dwelling unit; or (*c*) the lowest acceptable bid received among the bids submitted by eligible bidders seeking award of the construction contract.

Mortgage payments, providing for the reduction of the principal obligations of the mortgages, for interest and for mortgage insurance premiums, are made from the appropriations for military pay and allowances. Such payments may not exceed an average of $90 per month per housing unit and total payments for all such housing may not exceed $21 million per month.

Funds are authorized (65 Stat. 365) to be appropriated to acquire land, prepare sites and install off-site utilities for housing projects constructed under title VIII of the National Housing Act, as amended. Expenditures incurred for this purpose may not exceed an average of $1,500 per housing unit in respect of any housing project nor more than an average of $1,000 per housing unit in respect of all housing projects for which appropriations are made under this authorization.

Operating results.—The following schedule indicates the mortgage indebtedness and costs realized and anticipated through 1960 for Capehart housing completed and occupied by defense personnel. The contingent liability of the department for contracts awarded as of the end of each year is indicated for housing projects under construction. The schedule does not reflect operation and maintenance costs for this housing, which are financed from the military operation and maintenance appropriations, nor depreciation.

PROPERTY ACQUIRED AND FINANCING

	Mortgages			*Amounts included in military construction appropriations*			*Total*		
	1958 actual	*1959 estimate*	*1960 estimate*	*1958 actual*	*1959 estimate*	*1960 estimate*	*1958 actual*	*1959 estimate*	*1960 estimate*
Property acquired:									
Beginning of period	$12,642,400	$169,404,235	$557,869,330	$238,221	$8,395,848	$28,030,708	$12,880,621	$177,800,083	$585,900,038
During period	156,761,835	388,465,095	533,535,655	8,157,627	19,634,860	27,880,544	164,919,462	408,099,955	561,416,199
Balance, end of period	169,404,235	557,869,330	1,091,404,985	8,395,848	28,030,708	55,911,252	177,800,083	585,900,038	1,147,316,237

NOTE. Statement of property acquired and financing, excludes actual contingent liability for contracts awarded but housing not completed as of June 30, 1958, $606,490,383, and similar liability estimated as of June 30, 1959, $832,275,600, and June 30, 1960, $628,592,000. Number of housing units acquired at the end of 1958, 11,335; 1959, 36,649; 1960, 70,713.

DEBT RETIREMENT AND EXPENSE

	1958 actual	*1959 estimate*	*1960 estimate*
Debt retirement: Mortgage payments, principal	$879,345	$7,853,000	$17,038,000
Expense:			
Mortgage payments, interest	1,877,212	14,925,000	32,330,000
Mortgage insurance	365,461	926,000	2,010,000
Other expenses [2]	[1] 300	[1] 600	[1] 1,000
Total expense	2,242,973	15,851,600	34,341,000
Total amounts paid from military personnel appropriations	3,122,318	23,704,600	51,379,000

[1] Delaware corporation expense.
[2] Excludes anticipated loss for cancellation of contract at Fort Polk, La., to be paid from appropriation, "Military personnel, Army."

STATEMENT OF INDEBTEDNESS

	1958 actual	*1959 estimate*	*1960 estimate*
Mortgage indebtedness:			
Beginning of period	$12,598,959	$168,481,449	$549,093,544
Mortgages executed during period	156,761,835	388,465,095	533,535,655
Subtotal	169,360,794	556,946,544	1,082,629,199
Payments applied to reduce principal	879,345	7,853,000	17,038,000
Mortgage indebtedness, end of period	168,481,449	549,093,544	1,065,591,199

Overseas Rental Guaranty Military Family Housing

The Department of Defense is authorized (66 Stat. 622) to guarantee rental payments to private sponsors of family housing projects built in foreign countries for use by Defense personnel. The guaranty may not exceed 95% of the scheduled rentals the sponsors would receive from full occupancy of the housing by Defense personnel over periods ranging from 5 to 10 years depending upon the length of time Defense expects to occupy the housing and the prospect for its eventual use by native populations. The amount of such guaranties outstanding at any time may not exceed $100 million. The housing is wholly owned by the private sponsors who build, operate, and maintain it in accordance with the terms of the rental guaranty agreements. Commanders of the military installations served by the housing projects are responsible for maintaining occupancy by installation personnel at the guaranteed 95% level. Under this program 4,838 housing units have been built at 31 locations in France, and 700 housing units at 3 locations in Morocco. The development of the surplus commodity overseas military family housing program has largely supplanted the use of the rental guaranty authority.

Operating results.—The following schedule indicates the extent to which the rental guaranty authority has been used and the estimated reduction of the Government's contingent liability under these guaranties through 1960:

SCHEDULE OF RENTALS AND STATEMENT OF CONTINGENT LIABILITY

	1958 actual	*1959 estimate*	*1960 estimate*
Schedule of rentals:			
Number of units	5,538	5,406	5,406
Scheduled rentals, start of year	$47,395,080	$47,395,080	$47,253,080
Agreements cancelled	----------	−142,000	----------
Scheduled rentals, end of year	47,395,080	47,253,080	47,253,080
Contingent liability:			
Start of year	45,025,326	45,025,326	44,915,742
Agreements canceled	----------	−109,584	----------
Contingent liability, end of year	45,025,326	44,915,742	44,915,742
Reduction of contingent liability:			
Start of year	4,917,850	11,874,920	18,908,920
During year	6,957,070	6,781,000	6,781,000
Losses paid by the Government [1]	----------	253,000	117,000
Reduction of contingent liability, end of year	11,874,920	18,908,920	25,806,920
Balance of contingent liability	33,150,406	26,006,822	19,108,822

[1] To be paid from the appropriation "Military construction, Air Force," to honor guaranty on one project abandoned due to redeployment of personnel.

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Military family housing

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Military family housing and community facilities:			
Austria (prefabs for Morocco)	$8,481,686		
Bermuda		$3,200,000	$2,200,000
Finland (prefabs for Morocco)		48,451	
Finland (prefabs for Iceland)		40,000	1,560,000
Italy	5,012,155	2,700,000	1,500,000
Japan	5,815,462	3,521,538	
Portugal (Azores)		1,500,000	
Spain	12,109,608	12,449,749	5,800,000
United Kingdom	772,946	10,000,000	14,000,000
Total obligations [1]	32,191,857	33,459,738	25,060,000
Financing:			
Unobligated balance brought forward	28,987,234	21,462,059	15,098,694
Authorization to expend foreign currency receipts pursuant to 68 Stat. 1125, as amended	24,679,268	27,096,373	19,060,000
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−12,586		
Unobligated balance carried forward	−21,462,059	−15,098,694	−9,098,694
Financing applied to program	32,191,857	33,459,738	25,060,000

[1] Excludes following amounts derived from barter transactions for facilities in France: 1958, $11,054,668; and 1959, $38,488,582.

The Department of Defense is authorized (68 Stat. 1125, as amended by 70 Stat. 1017) to construct or otherwise acquire family housing for occupancy as public quarters and community facilities in foreign countries utilizing foreign currencies to a value not to exceed $250 million. The foreign currencies are acquired pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) or through other commodity transactions of the Commodity Credit Corporation. In addition, the Department is authorized appropriated funds not to exceed 25% of the total cost of each family housing and community facilities project as may be necessary to supplement the foreign currencies to obtain the required facilities.

The Department is required to reimburse the Commodity Credit Corporation in a dollar amount equivalent to the value of the foreign currencies utilized. For this purpose, the Department is authorized to utilize appropriations otherwise available for the payment of quarters allowances to personnel who occupy such housing. Amounts chargeable for the maintenance and operation of such housing are authorized (69 Stat. 350) to be deducted from the quarters allowances withheld for reimbursing the Commodity Credit Corporation.

Operating results.—The following 3 schedules indicate the indebtedness of the Department to the Commodity Credit Corporation and costs realized and anticipated through 1960 for the construction of housing and community facilities projects in foreign countries for use by Defense personnel.

Statement of Financing

	Foreign currencies (dollar equivalent)			*Military construction appropriations*			*Total*		
	1958 actual	*1959 estimate*	*1960 estimate*	*1958 actual*	*1959 estimate*	*1960 estimate*	*1958 actual*	*1959 estimate*	*1960 estimate*
Amounts applied on construction:									
Beginning of period	[1] $16,352,146	$43,374,505	$113,270,922	$1,197,569	$4,791,108	$9,260,529	$17,549,715	$48,165,613	$122,531,451
During period	[1] 27,022,359	[1] 69,896,417	40,560,000	3,593,539	4,469,421	1,600,000	30,615,898	74,365,838	42,160,000
Balance, end of period	43,374,505	113,270,922	153,830,922	4,791,108	9,260,529	10,860,529	48,165,613	122,531,451	164,691,451

[1] Includes following amounts derived from barter transactions for facilities in France: 1957, $456,750; 1958, $11,054,668; and 1959, $38,488,582.

Debt Retirement and Expenses

	1958 actual	*1959 estimate*	*1960 estimate*
Debt retirement:			
Payments to Commodity Credit Corporation	$1,298,593	$2,854,480	$6,301,700
Expenses:			
Operation and maintenance	1,096,407	4,015,520	6,556,000
Total amounts paid from military personnel appropriations	2,395,000	6,870,000	12,857,700

Statement of Indebtedness

Amounts due Commodity Credit Corporation:			
Unpaid balance, start of year	$16,352,146	$42,075,912	$109,117,849
Additional amounts applied on construction	27,022,359	69,896,417	40,560,000
Total amounts due	43,374,505	111,972,329	149,677,849
Payments to Commodity Credit Corporation [1]	−1,298,593	−2,854,480	−6,301,700
Balance due Commodity Credit Corporation	42,075,912	109,117,849	143,376,149

[1] Includes payments in Defense accounts not taken up in Commodity Credit Corporation accounts at close of year as follows: 1958, $573,298; 1959, $608,207; and 1960, $1,776,700.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures	$32,191,857	$33,459,738	$25,060,000

Status of Unfunded Allocations

Unfunded balance, start of year	$37,259,767	$39,184,567	$21,780,940
Allocations	24,679,268	27,096,373	19,060,000

Status of Unfunded Allocations—Continued

	1958 actual	1959 estimate	1960 estimate
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−$12,586		
Unfunded balance, end of year	−39,184,567	−$21,780,940	−$14,840,940
Transfers into Department of Defense accounts	22,741,882	44,500,000	26,000,000

Analysis of Expenditures

Obligated balance, start of year	$20,178,485	$36,433,276	$38,485,179
Obligations incurred during year	32,191,857	33,459,738	25,060,000
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	30,626		
Obligated balance, end of year	−36,433,276	−38,485,179	−22,985,179
Expenditures	15,967,692	31,407,835	40,560,000

Proposed for later transmission:

MILITARY CONSTRUCTION

Under proposed legislation, 1960.—Legislation will be proposed to provide additional authorization for the acquisition and construction of facilities for the Armed Forces, both Regular and Reserve. Additional funds as shown in the following schedules are anticipated to finance

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this proposed legislation and the construction of additional loran stations.

Military Construction, Army

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Public works construction			$219,121,624
2. Minor construction			7,000,000
3. Planning			13,000,000
4. Supporting activities			2,000,000
Total obligations			241,121,624
Financing:			
Unobligated balance carried forward			99,878,376
Proposed supplemental appropriation			341,000,000

Military Construction, Navy

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Public works construction			$158,961,000
2. Minor construction			3,000,000
3. Planning			14,000,000
4. Supporting activities			8,000,000
Total obligations			183,961,000
Financing:			
Unobligated balance carried forward			60,039,000
Proposed supplemental appropriation			244,000,000

Military Construction, Air Force

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Public works construction			$444,398,944
2. Minor construction			17,000,000
3. Planning			23,000,000
4. Supporting activities			22,000,000
Total obligations			506,398,944
Financing:			
Unobligated balance carried forward			387,601,056
Proposed supplemental appropriation			894,000,000

Military Construction, Army Reserve

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Training centers (total obligations)			$17,019,120
Financing:			
Unobligated balance carried forward			2,980,880
Proposed supplemental appropriation			20,000,000

Military Construction, Naval Reserve

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Aviation, naval surface, and Marine ground facilities (total obligations)			$5,535,559
Financing:			
Unobligated balance carried forward			3,464,441
Proposed supplemental appropriation			9,000,000

Military Construction, Air Force Reserve

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Reserve facilities construction (total obligations)			$4,000,000
Financing:			
Proposed supplemental appropriation			4,000,000

Military Construction, Army National Guard

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Armory construction			$6,213,674
2. Nonarmory construction			2,000,000
Total direct obligations			8,213,674
Financing:			
Unobligated balance carried forward			2,786,326
Proposed supplemental appropriation			11,000,000

Military Construction, Air National Guard

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
National Guard facilities (total obligations)			$17,000,000
Financing:			
Proposed supplemental appropriation			17,000,000

Loran Stations, Department of Defense

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction (total obligations)			$23,200,000
Financing:			
Proposed supplemental appropriation			23,200,000

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REVOLVING AND MANAGEMENT FUNDS

Public enterprise funds:

ACQUISITION, REHABILITATION, AND RENTAL OF WHERRY ACT HOUSING, DEPARTMENT OF DEFENSE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Interest expense	$5,677,934	$15,200,000	$18,100,000
2. Mortgage insurance payments	905,336	1,950,000	2,300,000
3. Other project expense	147,534		
Total operating costs	6,730,804	17,150,000	20,400,000
Capital outlay:			
4. Acquisition of housing:			
Mortgages assumed	324,329,124	119,900,000	37,000,000
Value of sponsors' equity	48,511,200	17,600,000	5,500,000
Other acquisition costs	1,714,161	600,000	150,000
5. Alterations, improvements, rehabilitation, and repairs	199,727	50,000,000	66,468,400
Total capital outlay	374,754,212	188,100,000	109,118,400
Deduct costs included above financed by assumption of mortgage indebtedness and sponsors' equity	324,224,078	113,000,000	27,600,000
Total capital outlay, funded	50,530,134	75,100,000	81,518,400
Total program costs, funded	57,260,938	92,250,000	101,918,400
6. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−16,468,400
Obligations incurred for costs of other years (unpaid undelivered orders), net	2,891,847	23,750,000	
Total program (obligations)	60,152,785	116,000,000	85,450,000
Financing:			
Amounts becoming available:			
New obligational authority (reappropriation from other Department of Defense accounts (70 Stat. 1112)	55,000,000		30,000,000
Receipts from operations	18,592,277	50,000,000	57,486,540
Total amounts becoming available	73,592,277	50,000,000	87,486,540
Unobligated balance brought forward	74,894,172	88,333,664	22,333,664
Total amounts available	148,486,449	138,333,664	109,820,204
Unobligated balance carried forward	−88,333,664	−22,333,664	−24,370,204
Financing applied to program	60,152,785	116,000,000	85,450,000

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 about 65,800 units of Wherry Act family housing by the end of 1960, at a total cost of $562.6 million, which includes 16,000 units at a cost of $138.1 million in 1959 and 5,000 units costing $42.6 million in 1960. 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 approved by the Secretary of Defense and is permissive in all other cases.

During 1959 and 1960 it is planned to rehabilitate approximately 45,000 units of which $50 million will be funded in 1959 and $66.5 million in 1960.

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 $30 million is estimated in 1960 pursuant to the authority in section 512 of the Housing Act of 1956. Revenue from quarters allowances and rentals is expected to increase from an estimated $50 million in 1959 to approximately $57.5 million in 1960.

Operating results and financial condition.—Net budget expenditures of $42 million are expected both in 1959 and in 1960 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 $32.8 million in 1959 and $37.1 million in 1960. This revenue 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 as a matter of established accounting policy nor operation and maintenance costs excluded by legislation which established this fund. Government investment is estimated at $241.7 million at June 30, 1960, consisting of $160 million in reappropriations and $81.7 million in retained earnings.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of unpaid undelivered orders as follows: 1957, $33,100; 1958, $2,924,947; 1959, $26,674,947; 1960, $10,206,547.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Capital outlay	$50,530,134	$75,100,000	$81,518,400
Expense	6,730,804	17,150,000	20,400,000
Increase in selected working capital	583,917		
Total gross expenditures	57,844,855	92,250,000	101,918,400
Receipts from operations (funds provided):			
Revenue	18,592,277	50,000,000	57,486,540
Decrease in selected working capital		250,000	2,431,860
Total receipts from operations	18,592,277	50,250,000	59,918,400
Budget expenditures	39,252,578	42,000,000	42,000,000

Revenue, Expense, and Retained Earnings

Revenue	$18,592,277	$50,000,000	$57,486,540
Expense	6,730,804	17,150,000	20,400,000
Net income for the year	11,861,473	32,850,000	37,086,540
Retained earnings or deficit (−) beginning of year	−49,089	11,812,384	44,662,384
Retained earnings, end of year	11,812,384	44,662,384	81,748,924

Financial Condition

Assets:			
Cash with Treasury	$90,676,751	$48,676,751	$36,676,751
Accounts receivable, net	2,513,460	4,513,460	2,000,000
Land, structures, and equipment:			
Acquisition cost	381,842,904	519,942,904	562,592,904
Alterations, improvements, rehabilitation, and repair	199,727	50,199,727	116,668,127
Total assets	475,232,842	623,332,842	717,937,782
Liabilities:			
Current liabilities	1,931,600	4,181,600	4,100,000
Mortgages and equities	331,488,858	444,488,858	472,088,858
Total liabilities	333,420,458	448,670,458	476,188,858
Government investment:			
Principal of fund:			
Start of year	75,000,000	130,000,000	130,000,000
Reappropriation during year	55,000,000		30,000,000
End of year	130,000,000	130,000,000	160,000,000
Retained earnings	11,812,384	44,662,384	81,748,924
Total Government investment	141,812,384	174,662,384	241,748,924

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Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$74,929,329	$90,676,751	$48,676,751	$36,676,751
Obligated balance, net:				
Current liabilities	2,057	1,931,600	4,181,600	4,100,000
Unperformed contracts	33,100	2,924,947	26,674,947	10,206,547
Accounts receivable, net (−)		−2,513,460	−4,513,460	−2,000,000
Total obligated balance	35,157	2,343,087	26,343,087	12,306,547
Unobligated balance	74,894,172	88,333,664	22,333,664	24,370,204

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$1,052,870	$1,950,000	$2,300,000
10 Lands and structures	50,530,134	75,100,000	81,518,400
14 Interest	5,677,934	15,200,000	18,100,000
Total accrued expenditures	57,260,938	92,250,000	101,918,400
Increase or decrease (−) in unpaid undelivered orders	2,891,847	23,750,000	−16,468,400
Total obligations	60,152,785	116,000,000	85,450,000

Defense Housing, Army

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operation and maintenance of housing (total costs—obligations)	$602,687	$550,000	$500,000
Financing:			
Amounts becoming available: Revenue and receipts from rentals	1,018,825	860,000	800,000
Unobligated balance brought forward	439,516	855,654	415,654
Total amounts available	1,458,341	1,715,654	1,215,654
Capital transfer (payment of profits to Treasury) (−)		−750,000	−500,000
Unobligated balance carried forward	−855,654	−415,654	−215,654
Financing applied to program	602,687	550,000	500,000

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units transferred to the Department of the Army (70 Stat. 1106). Funds are provided by rental receipts. During 1958, there were 2,281 inhabitable family units maintained with an average occupancy of 2,250 units. During 1959, a total of 325 units at Fort Rucker will be replaced by Capehart housing. This will effect an anticipated reduction in rental income of $187,000 and in operational expense of $40,000 per annum. During 1959, the sum of $750,000 which is surplus to operational requirements of the fund will be returned to the Treasury. In 1960, a total of 1,956 family units will be maintained and an additional $500,000 in profits is anticipated to be available for transfer to the Treasury.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$602,687	$550,000	$500,000
Increase in selected working capital	95,519		
Total gross expenditures	698,206	550,000	500,000
Receipts from operations (funds provided):			
Revenue	1,018,825	860,000	800,000
ecrease in selected working capital		10,000	
Total receipts from operations	1,018,825	870,000	800,000
Budget expenditures	−320,619	−320,000	−300,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$1,018,825	$860,000	$800,000
Expense	602,687	550,000	500,000
Net income for the year	416,138	310,000	300,000
Analysis of retained earnings:			
Retained earnings, beginning of year	439,516	855,654	415,654
Payment of profits to Treasury (−)		−750,000	−500,000
Retained earnings, end of year	855,654	415,654	215,654

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$883,478	$453,478	$253,478
Accounts receivable	66,078	66,078	66,078
Total assets	949,556	519,556	319,556
Liabilities:			
Current	93,902	103,902	103,902
Government investment:			
Retained earnings	855,654	415,654	215,654

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with the Treasury	$562,859	$883,478	$453,478	$253,478
Obligated balance, net:				
Current liabilities	175,669	93,902	103,902	103,902
Accounts receivable (−)	−52,326	−66,078	−66,078	−66,078
Total obligated balance	123,343	27,824	37,824	37,824
Unobligated balance	439,516	855,654	415,654	215,654

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	39	36	31
Full-time equivalent of all other positions	7	4	3
Average number of all employees	45	39	33
Number of employees at end of year	20	39	33
Average GS grade and salary	5.8 $4,579	5.8 $4,954	5.8 $4,954
Average salary of ungraded positions	4,210	4,260	4,202
01 Personal services:			
Permanent positions	$163,275	$154,835	$131,680
Positions other than permanent	27,653	17,100	13,180
Other personal services	1,647	1,065	1,240
Total personal services	192,575	173,000	146,100
05 Rents and utility services	12,748	10,000	10,000
07 Other contractual services	192,476	172,500	165,000
08 Supplies and materials	173,508	167,900	152,300
09 Equipment	24,904	20,000	20,000
11 Grants, subsidies, and contributions	5,949	6,000	6,000
13 Refunds, awards, and indemnities	80	100	100
15 Taxes and assessments	447	500	500
Total obligations	602,687	550,000	500,000

Defense Housing, Navy

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operation and maintenance of housing (total program costs)	$1,169,027	$1,366,000	$1,400,000
Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−48,329	−166,000	
Total program (obligations)	1,120,698	1,200,000	1,400,000
Financing:			
Amounts becoming available: Revenue and receipts from rentals	1,384,112	1,400,000	1,400,000
Unobligated balance brought forward	346,798	610,212	360,212
Total amounts available	1,730,910	2,010,212	1,760,212
Capital transfers:			
Repayment of investment to Treasury (−)		−375,000	
Payment of profits to Treasury (−)		−75,000	−75,000
Unobligated balance carried forward	−610,212	−360,212	−285,212
Financing applied to program	1,120,698	1,200,000	1,400,000

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REVOLVING AND MANAGEMENT FUNDS—Con.

Public enterprise funds—Continued

DEFENSE HOUSING, NAVY—Continued

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units transferred to the Department of the Navy (70 Stat. 1106). During 1958, there were 4,180 family units maintained. This number will decline to 4,005 in 1959 and 1960.

Funds were initially provided this program by a transfer of $375,000 in 1957 from the Housing and Home Finance Agency. This investment, plus $75,000 which is surplus to operational requirements of the fund, or a total of $450,000 will be returned to the Treasury in 1959. In 1960, the program will be entirely self-supported through use of rental receipts and another $75,000 in profits will be returned to the Treasury.

Relation of costs to obligations.—The relationship is derived by year-end balances of unpaid undelivered orders as follows: 1957, $269,311; 1958, $220,982; 1959, $54,982; 1960, $54,982.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Operation and maintenance of housing	$1,169,027	$1,366,000	$1,400,000
Increase in selected working capital	15,266		
Total gross expenditures	1,184,293	1,366,000	1,400,000
Receipts from operations (funds provided):			
Revenue	1,384,112	1,400,000	1,400,000
Budget expenditures	−199,819	−34,000	

Revenue, Expense, and Retained Earnings

Revenue	$1,384,112	$1,400,000	$1,400,000
Expense	1,169,027	1,366,000	1,400,000
Net income for the year	215,085	34,000	
Analysis of retained earnings:			
Retained earnings, beginning of year	241,109	456,194	415,194
Payment of profits to Treasury (−)		−75,000	−75,000
Retained earnings, end of year	456,194	415,194	340,194

Financial Condition

Assets:			
Cash with Treasury	$831,194	$415,194	$340,194
Government investment:			
Non-interest-bearing capital:			
Start of year	375,000	375,000	
Repayment of investment (−)		−375,000	
End of year	375,000		
Retained earnings	456,194	415,194	340,194
Total Government investment	831,194	415,194	340,194

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$631,375	$831,194	$415,194	$340,194
Obligated balance, net:				
Current liabilities	15,266			
Unpaid undelivered orders	269,311	220,982	54,982	54,982
Total obligated balance	284,577	220,982	54,982	54,982
Unobligated balance	346,798	610,212	360,212	285,212

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	138	138	135
Average number of all employees	131	131	125
Number of employees at end of year	131	127	125
Average GS grade and salary	4.4 $3,977	4.4 $4,387	4.4 $4,410
Average salary of ungraded positions	$4,650	$4,690	$4,720
01 Personal services:			
Permanent positions	$590,120	$609,226	$584,517
Other personal services	2,230	2,332	4,502
Total personal services	592,350	611,558	589,019
02 Travel	458	500	500
03 Transportation of things	291	300	300
04 Communication services	252	400	400
05 Rents and utility services	3,762	5,000	5,000
06 Printing and reproduction	1,086	3,000	3,000
07 Other contractual services	250,206	384,942	431,981
08 Supplies and materials	221,076	270,000	275,000
09 Equipment	69,937	85,000	90,000
10 Lands and structures	24,437		
11 Grants, subsidies, and contributions	3,317	5,000	4,500
13 Refunds, awards, and indemnities	1,703		
15 Taxes and assessments	152	300	300
Total costs	1,169,027	1,366,000	1,400,000
Decrease (−) in unpaid undelivered orders	−48,329	−166,000	
Total obligations	1,120,698	1,200,000	1,400,000

LAUNDRY SERVICE, NAVAL ACADEMY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Expense	$523,445	$545,404	$559,000
Unfunded adjustment to total operating costs: Depreciation included above (−)	−10,527	−13,227	−15,000
Total operating costs, funded	512,918	532,177	544,000
Capital outlay: Purchase of equipment [1]	22,262	45,000	30,000
Total program costs, funded	535,180	577,177	574,000
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−6,466	−3,375	
Total program (obligations)	528,714	573,802	574,000
Financing:			
Amounts becoming available: Revenue and receipts: Revenue	519,092	529,920	560,000
Unobligated balance brought forward	76,508	66,886	23,004
Total amounts available	595,600	596,806	583,004
Unobligated balance carried forward	−66,886	−23,004	−9,004
Financing applied to program	528,714	573,802	574,000

[1] Excludes property transferred in without charge of $2,785 in 1958.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventory of supplies	$10,696	$9,567	$9,000	$9,000
Unpaid undelivered orders	20,145	14,808	12,000	12,000
Total selected resources at end of year	30,841	24,375	21,000	21,000
Selected resources at start of year (−)		−30,841	−24,375	−21,000
Costs financed from obligations of other years, net (−)		−6,466	−3,375	

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Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$22,262	$45,000	$30,000
Expense, excluding depreciation	512,918	532,177	544,000
Increase in selected working capital	8,525	743	
Total gross expenditures	543,705	577,920	574,000
Receipts from operations (funds provided):			
Revenue	519,092	529,920	560,000
Budget expenditures	24,613	48,000	14,000

Revenue, Expense, and Retained Earnings

Revenue	$519,092	$529,920	$560,000
Expense	523,445	545,404	559,000
Net income or loss (−) for the year	−4,353	−15,484	1,000
Retained earnings, beginning of year	181,543	177,190	161,706
Retained earnings, end of year	177,190	161,706	162,706

Financial Condition

Assets:			
Cash with Treasury	$108,304	$60,304	$46,304
Accounts receivable	9,620	9,700	9,700
Inventory of supplies	9,567	9,000	9,000
Equipment, net	88,714	120,487	135,487
Total assets	216,205	199,491	200,491
Liabilities:			
Current	36,230	35,000	35,000
Government investment:			
Non-interest-bearing capital:			
Start of year		2,785	2,785
Donated equipment during year	2,785		
End of year	2,785	2,785	2,785
Retained earnings	177,190	161,706	162,706
Total Government investment	179,975	164,491	165,491

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$132,916	$108,304	$60,304	$46,304
Obligated balance, net:				
Liabilities: Current	43,598	36,230	35,000	35,000
Unpaid undelivered orders	20,145	14,808	12,000	12,000
Accounts receivable (−)	−7,335	−9,620	−9,700	−9,700
Total obligated balance	56,408	41,418	37,300	37,300
Unobligated balance	76,508	66,886	23,004	9,004

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	151	151	151
Average number of all employees	143	149	149
Number of employees at end of year	141	149	149
Average GS grade and salary	5.8 $4,759	5.8 $4,927	5.8 $4,942
Average salary of ungraded positions	$2,633	$2,675	$2,692
01 Personal services:			
Permanent positions	$395,337	$405,250	$408,509
Other personal services	25,445	26,207	27,926
Excess of annual leave taken (−) over leave earned	−3,548		
Total personal services	417,234	431,457	436,435
04 Communication services	157	200	200
05 Rents and utility services	33,776	37,500	40,000
06 Printing and reproduction	159	300	300
07 Other contractual services	5,408	5,000	6,000
08 Supplies and materials	28,813	29,433	33,000
09 Equipment	22,262	45,000	30,000
11 Grants, subsidies, and contributions	24,741	26,220	26,565
15 Taxes and assessments	1,501	1,500	1,500
Total accrued expenditures	534,051	576,610	574,000
Decrease (−) in unpaid undelivered orders	−5,337	−2,808	
Total obligations	528,714	573,802	574,000

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Intragovernmental funds:

ARMY STOCK FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Army clothing and equipage	$118,212,843	$114,000,000	$114,700,000
Army subsistence	544,912,391	499,800,000	518,600,000
Chemical supplies	4,257,715	4,400,000	13,500,000
Defense supply service	2,143,523	2,300,000	2,300,000
Engineer supplies	55,539,569	69,800,000	87,500,000
General quartermaster supplies	215,474,930	208,800,000	207,400,000
Medical-dental supplies	22,594,175	26,900,000	25,500,000
Ordnance tank-automotive supplies	123,538,694	148,300,000	143,500,000
Other ordnance supplies	62,428,036	87,800,000	85,200,000
Signal supplies	67,534,873	73,800,000	80,600,000
Transportation supplies	3,507,308	5,600,000	11,300,000
Single manager clothing and textiles	247,385,781	180,000,000	199,000,000
Single manager subsistence	679,831,362	749,500,000	772,100,000
Total program (obligations)	2,147,361,200	2,171,000,000	2,261,200,000
Financing:			
Sale of goods:			
Army clothing and equipage	148,118,172	142,800,000	117,000,000
Army subsistence	509,467,708	509,400,000	520,100,000
Chemical supplies	5,590,479	6,000,000	5,000,000
Defense supply service	2,072,491	2,300,000	2,300,000
Engineer supplies	85,431,493	83,600,000	78,200,000
General quartermaster supplies	248,291,060	234,400,000	222,400,000
Medical-dental supplies	24,083,042	24,600,000	26,100,000
Ordnance tank-automotive supplies	230,007,719	209,600,000	197,900,000
Other ordnance supplies	136,634,895	131,500,000	124,500,000
Signal supplies	100,693,247	98,400,000	92,300,000
Transportation supplies	5,608,970	6,300,000	6,700,000
Single manager clothing and textiles	278,426,193	285,600,000	303,400,000
Single manager subsistence	695,919,585	745,500,000	758,100,000
Total sale of goods	2,470,345,054	2,480,000,000	2,454,000,000
Less withdrawal credit sales	2,066,520		
Net sale of goods	2,468,278,534	2,480,000,000	2,454,000,000
Decrease (−) in unfilled customer orders	−27,685,555	−22,314,213	−8,246,000
Adjustment of prior year revenue	−26,593,940		
Anticipated reimbursements for deliveries of materiel common to U. S. requirements ordered by military assistance in current year	241,822,549	135,000,000	
Total amounts becoming available	2,655,821,588	2,592,685,787	2,445,754,000
Unobligated balance brought forward	679,244,732	688,792,141	555,477,928
Total amounts available	3,335,066,320	3,281,477,928	3,001,231,928
Unobligated balance transferred to "Military personnel, Army" (71 Stat. 313; 72 Stat. 714; 1960 appropriation act)	−350,000,000	−375,000,000	−200,000,000
Deliveries of materiel common to U. S. requirements ordered by military assistance	−148,912,979	−180,000,000	−140,000,000
Unobligated balance carried forward	−688,792,141	−555,477,928	−400,031,928
Financing applied to program	2,147,361,200	2,171,000,000	2,261,200,000

This fund finances the procurement and maintenance of inventories of common-use items for resale and for mobilization reserve (5 U. S. C. 172d). Some 668,000 line items are included, about 90% of the line items in the Army's total inventory.

The fund is centrally directed and controlled by the Department of the Army and managed through the defense supply service and the Army's seven technical services. Among the 13 material categories included in the fund are 2 single manager assignments covering continental United States 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 United States stations and oversea areas for resale to the consuming appropriations. Inventories of other categories are sold directly to the consuming appropriations.

The fund includes inventories in all depots in the continental United States and the six major overseas commands, and inventories at certain stations in the United States. No significant changes were made in 1958 in the types of material or geographic areas covered by the stock fund. The fund hereafter will be extended to include so far as

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

ARMY STOCK FUND—Continued

practicable the stocks at major posts, camps, and stations, and to include additional categories of aircraft and missile supplies and spare parts. The effective dates of these extensions, which are not reflected in the statements and schedules presented here, are yet to be determined. Changes in inventory capitalized under each category represent, primarily, returns of unneeded material from organizations outside the stock fund system and transfers in 1958 to the single managers from other military services. Amounts are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Army clothing and equipage	−$29,376,169	$6,094,679	$9,800,000
Army subsistence	312,395	----------	----------
Chemical supplies	497,342	113,575	----------
Defense supply service	3,031	3,000	3,000
Engineer supplies	18,027,103	20,850,813	10,540,000
General quartermaster supplies	6,723,342	8,812,108	10,500,000
Medical-dental supplies	−2,782,301	1,577,932	828,000
Ordnance-tank-automotive supplies	56,364,345	38,701,256	40,000,000
Other ordnance supplies	48,440,847	28,649,785	15,410,000
Signal supplies	15,962,874	16,933,507	10,950,000
Transportation supplies	3,161,031	517,761	780,000
Single-manager clothing and textiles	187,691,111	11,500,000	----------
Single-manager subsistence	1,287,972	1,400,000	1,400,000
Total inventories capitalized during year (net of decapitalizations)	306,312,923	135,154,416	100,211,000
Decrease (−) in undelivered purchases to be paid from other accounts	−8,354,340	−2,259,585	----------
Withdrawal credits canceled, net	4,687,080	----------	----------
Sales returns credits canceled	3,020,576	5,510,186	----------
Net change in capitalized inventories	305,666,239	138,405,017	100,211,000

Budget program.—Obligations are estimated to increase by $114 million from 1958 to 1960. Although obligations for peacetime stocks are lower, $75 million is included in the 1959 program and $175 million in 1960 to improve the status of mobilization reserve stocks. Obligations for peacetime stocks were 87% of sales in 1958, and are forecast at 85% in 1959 and 1960. The reduction in this ratio, in the face of a steady decline in long-supply stocks which can be sold without replacement, is possible only because the estimated requirement for material to be on order at the end of 1960 is less than the actual orders outstanding at the end of 1958. The budget program provides for year-end inventories as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Army clothing and equipage:			
Operating stocks	$89,632,088	$73,815,088	$59,553,088
Mobilization reserve stocks	22,621,000	22,621,000	34,621,000
Excess or surplus stocks awaiting disposal	14,149,612	5,666,612	1,528,612
Army subsistence:			
Operating stocks	93,131,661	89,230,687	85,775,687
Mobilization reserve stocks	26,631,000	27,183,000	27,683,000
Excess or surplus stocks awaiting disposal	56,026	----------	----------
Chemical supplies:			
Operating stocks	17,502,699	7,137,327	4,624,327
Mobilization reserve stocks	16,561,000	16,661,000	19,161,000
Excess or surplus stocks awaiting disposal	6,648,628	8,500,000	2,209,000
Defense supply service: Operating stocks	435,943	438,943	441,943
Engineer supplies:			
Operating stocks	299,290,761	207,909,761	148,586,761
Mobilization reserve stocks	193,035,000	213,383,000	239,444,000
Excess or surplus stocks awaiting disposal	94,787,190	77,758,190	50,489,190
General quartermaster supplies:			
Operating stocks	195,917,840	148,404,850	117,375,850
Mobilization reserve stocks	148,685,000	164,573,000	172,773,000
Excess or surplus stocks awaiting disposal	32,436,668	34,073,668	24,902,668
Medical-dental supplies:			
Operating stocks	13,835,943	12,491,943	10,550,943
Mobilization reserve stocks	21,854,000	25,279,000	23,879,000
Excess or surplus stocks awaiting disposal	1,050,000	1,050,000	750,000
Ordnance-tank-automotive supplies:			
Operating stocks	1,414,108,453	965,800,960	622,473,960
Mobilization reserve stocks	155,916,000	148,838,000	192,388,000
Excess or surplus stocks awaiting disposal	105,018,600	153,019,000	153,019,000
Other ordnance supplies:			
Operating stocks	813,344,800	397,247,836	280,920,836
Mobilization reserve stocks	100,709,000	102,918,000	115,591,000
Excess or surplus stocks awaiting disposal	115,175,251	69,587,000	27,504,000
Signal supplies:			
Operating stocks	297,471,305	180,981,375	142,571,375
Mobilization reserve stocks	66,324,000	80,310,000	90,220,000
Excess or surplus stocks awaiting disposal	78,876,769	80,000,000	40,000,000
Transportation supplies:			
Operating stocks	$25,155,866	$16,768,000	$15,557,000
Mobilization reserve stocks	22,906,000	23,689,000	25,641,000
Excess or surplus stocks awaiting disposal	11,652,775	8,780,000	5,119,000
Single-manager clothing and textiles:			
Operating stocks	872,329,952	699,769,392	565,954,356
Mobilization reserve stocks	909,877,000	902,517,000	905,388,000
Excess or surplus stocks awaiting disposal	147,668,440	236,732,000	169,612,000
Single-manager subsistence:			
Operating stocks	89,509,822	87,201,631	85,601,631
Mobilization reserve stocks	29,991,469	38,600,000	52,200,000
Summary:			
Operating stocks	4,221,667,133	2,887,197,793	2,139,987,757
Mobilization reserve stocks	1,715,110,469	1,766,572,000	1,898,989,000
Excess or surplus stocks awaiting disposal	607,519,959	675,166,470	475,133,470
Total inventories	6,544,297,561	5,328,936,263	4,514,110,227

The forecast inventory decrease of $2,030.2 million from 1958 through 1960 includes an estimated $591 million to be accomplished through sales of peacetime stocks without replacement. It is estimated that $1,450 million will be lost in disposal of surplus stocks in 1959 and 1960. Issues without reimbursement and authorized donations of stock are estimated at $274 million in 1959 and 1960, and inventory losses and price adjustments at $90 million. Offsetting these reductions in part are capitalizations of $235 million and $140 million of mobilization reserve stocks to be received from procurement. The large disposals of surplus stocks shown in the estimates reflect a positive program initiated in 1958 to review more critically the stocks authorized for retention and to identify inactive and long-supply stocks for elimination from the system.

Financing the budget program.—Funds for financing the budget program are derived from sales to authorized customers. A sales decline of $16 million, less than 1%, is forecast from 1958 to 1960, reflecting slight reductions in customer requirements.

Collections exceeded expenditures by $566.1 million in 1958, and are expected to exceed expenditures by $281 million in 1959 and $262 million in 1960. A major reason for the forecast decline in negative expenditures is the fact that long-supply stocks are decreasing, and the ability of the fund to effect sales without replacement is progressively diminishing. In 1958, the excess of receipts over expenditures was heightened by a $52 million reduction in working capital balances, primarily resulting from accelerated billings and collections for sales. Reductions in working capital are estimated to contribute only $18 million to negative expenditures in 1959 and $10 million in 1960. In addition, the 1959 and 1960 expenditure estimates include $34 million and $106 million, respectively, in expenditures for mobilization reserve stocks.

Transfers of $350 million in 1958 and $375 million in 1959 were effected to Military personnel, Army, and a transfer of $200 million is proposed in 1960. This would bring total rescissions and transfers from the fund to $2,769.5 million.

Operating results and financial condition.—The net loss was $773.5 million in 1958, and net losses are forecast at $1,087.1 million in 1959 and $662.2 million in 1960. These losses occur mainly from disposal of surplus stocks, and are especially high in the period here presented because of the acceleration of programs for purging inactive and long-supply stocks. Incident to the reduction in Army activities in Japan and the transfer of certain logistical responsibilities to Korea, stocks were authorized to be transferred to Army forces in Korea in the amount of $32.3 million in 1958, and $20.1 million of such issues is estimated in 1959. The $23.5 million adjustment to prior year revenue and expense is the net of a decrease of $26.6 million in prior year receivables, to adjust an

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overstatement of sales in prior years, and a decrease of $3.1 million in prior year payables.

Stock fund prices have not been high enough in the past to provide for recovery of losses incident to disposal of property as surplus, because stocks disposed of up to this time have consisted mainly of items which were surplus when capitalized. Some generation of excess stock is inevitable in supply operations, however. The resulting disposal losses must be recovered in the prices charged to customers, if this revolving fund is to avoid unreasonable losses of capital. Increasing attention is being given to the establishment of prices which recognize this cost factor, as well as to improved supply management which will minimize the amount of inventory which becomes surplus.

Government investment at June 30, 1960, is estimated at $5,271.5 million, including $10,991.7 million in capitalized assets less a deficit of $3,375.2 million and less $2,344.9 million of net transfers and rescissions from the fund.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net	$1,858,964,950	$2,108,524,350	$2,106,220,000
Transportation	63,099,779	64,775,000	61,317,000
Repair of unserviceable inventory	32,619,548	43,774,000	34,075,000
Increase (−) or decrease in accounts payable	1,708,186	−15,244,421	1,388,000
Increase or decrease (−) in prior year payables	−3,124,391	71,081	
Decrease (−) in advances	−2,511,060	−10	
Total gross expenditures	1,950,757,012	2,201,900,000	2,203,000,000
Receipts from operations (funds provided):			
Reimbursable sales	2,468,278,534	2,480,000,000	2,454,000,000
Decrease in accounts receivable	75,212,695	2,900,000	11,000,000
Decrease (−) in prior year receivables	−26,593,940		
Total receipts from operations	2,516,897,289	2,482,900,000	2,465,000,000
Budget expenditures	−566,140,277	−281,000,000	−262,000,000

Revenue, Expense, and Retained Earnings

Revenue: Sale of goods	$2,470,345,054	$2,480,000,000	$2,454,000,000
Expense:			
Purchase of goods (at cost)	1,858,964,950	2,108,524,350	2,106,220,000
Transportation	63,099,779	64,775,000	61,317,000
Repair of unserviceable inventory	32,619,548	43,774,000	34,075,000
Inventory decrease from operations	490,553,239	222,060,558	228,852,000
Inventory losses (net)	5,448,768	37,255,000	15,203,000
Issues of inventory without reimbursement	32,322,791	20,116,515	
Loss on disposal of inventory at less than standard prices	821,052,130	774,576,641	675,615,000
Total operating expense	3,304,061,205	3,271,082,064	3,121,282,000
Operating loss (−) for the year	−833,716,151	−791,082,064	−667,282,000
Markup or markdown (−) of inventory due to revision of standard prices	137,217,102	−55,243,000	18,006,964
Donations (−):			
Military assistance program (Mutual Security Act of 1954, as amended, 22 U. S. C. 1751, 1812)	−48,856,821	−226,460,000	
Education, public health, or civil defense (40 U. S. C. 484 (j) (1) (2))	−28,142,015	−14,355,000	−12,912,000
Net loss (−) for the year	−773,497,885	−1,087,140,064	−662,187,036
Analysis of deficit (−):			
Deficit (−), beginning of year	−828,874,699	−1,625,842,133	−2,713,053,278
Adjustment of prior year revenue and expense	−23,469,549	−71,081	
Deficit (−), end of year	−1,625,842,133	−2,713,053,278	−3,375,240,314

Financial Condition

Assets:			
Cash	$635,540,003	$541,540,003	$603,540,003
Accounts receivable	277,816,097	274,916,097	263,916,097
Inventories	6,544,297,561	5,328,936,263	4,514,110,227
Advances	2,059,590	2,059,580	2,059,580
Due in from undelivered purchases to be paid from other accounts	2,259,585		
Total assets	7,461,972,836	6,147,451,943	5,383,625,907

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current: Accounts payable	$76,507,609	$91,752,030	$90,364,030
Other liabilities: Unapplied sales return credits	28,195,240	22,236,054	21,774,054
Total liabilities	104,702,849	113,988,084	112,138,084
Government investment:			
Non-interest-bearing capital:			
Start of year	9,027,445,881	8,983,112,120	8,746,517,137
Transferred to "Military personnel, Army" (71 Stat. 313; 72 Stat. 714; 1960 appropriation act)	−350,000,000	−375,000,000	−200,000,000
Net change in capitalized inventory	305,666,239	138,405,017	100,211,000
End of year	8,983,112,120	8,746,517,137	8,646,728,137
Deficit (−)	−1,625,842,133	−2,713,053,278	−3,375,240,314
Total Government investment	7,357,269,987	6,033,463,859	5,271,487,823

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$419,399,726	$635,540,003	$541,540,003	$603,540,003
Unfilled military assistance fund reservations	116,693,212	209,602,782	164,602,782	24,602,782
Total unexpended balance	536,092,938	845,142,785	706,142,785	628,142,785
Obligated balance, net:				
Accounts payable	78,215,795	76,507,609	91,752,030	90,364,030
Unpaid undelivered orders and unperformed contracts	351,526,305	549,838,679	503,694,258	563,282,258
Accounts receivable	−353,028,792	−277,816,097	−274,916,097	−263,916,097
Unfilled customer orders (−)	−219,865,102	−192,179,547	−169,865,334	−161,619,334
Total obligated balance	−143,151,794	156,350,644	150,664,857	228,110,857
Unobligated balance	679,244,732	688,792,141	555,477,928	400,031,928

Object Classification

		1958 actual	1959 estimate	1960 estimate
03	Transportation of things	$63,099,779	$64,775,000	$61,317,000
07	Other contractual services	30,742,542	45,088,000	33,000,000
08	Supplies and materials	1,998,189,976	1,991,602,000	2,104,177,000
09	Equipment	55,328,903	69,535,000	62,706,000
	Total obligations	2,147,361,200	2,171,000,000	2,261,200,000

Navy Stock Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Special clothing and textiles	$16,154,097	$10,590,000	$9,810,000
Photographic material	3,945,503	4,000,000	3,600,000
General stores	166,822,019	173,400,000	173,100,000
Ships repair parts	34,018,449	48,250,000	44,800,000
Forms and publications	7,037,187	9,000,000	6,800,000
Navy medical and dental material	9,558,200	11,200,000	11,500,000
Provisions	194,385,548	199,500,000	203,800,000
Electronics	45,899,399	64,450,000	53,700,000
Submarine repair parts	5,299,816	7,700,000	6,200,000
Ships' store and commissary store stock	161,754,761	172,700,000	165,000,000
Resale clothing and accessories	36,368,585	38,510,000	32,390,000
Fuels and related items	327,914,184	336,100,000	319,700,000
Base equipment repair parts	8,893,606	11,450,000	15,500,000
Ordnance repair parts			10,200,000
Other, net	−806,285	2,500,000	1,000,000
Single manager medical and dental material	49,135,937	63,950,000	65,100,000
Total program (obligations)	1,066,381,006	1,153,300,000	1,122,200,000
Financing:			
Sale of goods:			
Special clothing and textiles	14,706,513	11,800,000	11,900,000
Photographic material	3,952,706	3,900,000	3,900,000
General stores	187,667,468	198,000,000	198,000,000
Ships repair parts	55,592,637	59,000,000	59,000,000
Forms and publications	6,476,309	7,000,000	6,800,000
Navy medical and dental material	9,822,359	9,800,000	9,900,000

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVY STOCK FUND—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Sale of goods—Continued			
Provisions	$201,820,796	$195,000,000	$196,400,000
Electronics	45,088,192	51,600,000	50,400,000
Submarine repair parts	5,778,917	7,300,000	6,100,000
Ships' store and commissary store stock	164,744,677	172,500,000	172,500,000
Resale clothing and accessories	43,652,945	40,800,000	41,100,000
Fuels and related items	366,675,848	317,700,000	321,300,000
Base equipment repair parts	9,556,515	12,500,000	11,900,000
Ordnance repair parts			22,400,000
Other	10,509,033	12,000,000	9,000,000
Single manager medical and dental material	63,323,122	74,100,000	74,400,000
Total sale of goods	1,189,368,037	1,173,000,000	1,195,000,000
Anticipated reimbursements for deliveries of materiel common to U. S. requirements ordered by military assistance in current year	15,193,605	26,975,000	
Total amounts becoming available	1,204,561,642	1,199,975,000	1,195,000,000
Unobligated balance brought forward	95,941,476	122,541,818	29,792,420
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other Navy accounts	4,148,677	312,602	
Total amounts available	1,304,651,795	1,322,829,420	1,224,792,420
Unobligated balance transferred to "Military personnel, Navy" (71 Stat. 316; 72 Stat. 716; 1960 appropriation act)	−100,000,000	−120,000,000	−75,000,000
Deliveries of materiel common to U. S. requirements ordered by military assistance	−15,728,971	−19,737,000	−19,500,000
Unobligated balance carried forward	−122,541,818	−29,792,420	−8,092,420
Financing applied to program	1,066,381,006	1,153,300,000	1,122,200,000

This fund, initially established in 1893, finances the procurement and maintenance of inventories of common-use material and supplies for resale and mobilization reserve (5 U. S. C. 172d). It includes items in all levels of shore based inventories and in inventories of fleet issue ships afloat.

In 1958 inventories capitalized under the fund increased $100 million, the net result of bringing in new stocks of general stores, ships parts, electronics and base equipment repair parts, and transferring to the Army stock fund depot-level stocks of clothing and textiles. Certain ordnance repair parts will be brought under the fund in 1960. Estimates contemplate changes in the inventory capitalized under each category of the fund as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Special clothing and textiles	−$16,833,281	−$6,560,000	
Photographic material	1,044,352		
General stores	45,509,366	−35,080,000	
Ships repair parts	36,160,173	45,330,000	
Forms and publications	205,461	260,000	$260,000
Navy medical and dental material	−2,559,340	−300,000	
Provisions	−7,515,729	−7,000,000	−7,000,000
Electronics	12,722,719	6,500,000	
Submarine repair parts	2,683,606		
Ships' store and commissary store stock	7,277,973	7,000,000	7,000,000
Resale clothing and accessories	−22,681,849	−6,650,000	
Fuels and related items	1,770,878		
Base equipment repair parts	29,334,981		
Ordnance repair parts			260,140,000
Other	3,332,613		
Single manager medical and dental material	9,647,046		
Total inventories capitalized during year (net of decapitalization)	100,098,969	3,500,000	260,400,000
Charges (−) against capital for loss on disposal of inventory surplus at time of capitalization			−22,580,000
Net change in capitalized inventories	100,098,969	3,500,000	237,820,000

Budget program.—The net increase in obligations of $55.8 million reflected from 1958 to 1960 is expected to result from the capitalization of ordnance repair parts, procurement of specific mobilization reserve stocks, and a decline in long supply stocks in general, which will make it necessary to procure to replace sales to a greater extent. The budget program would provide for year-end inventories as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Special clothing and textiles:			
Operating stocks	$20,583,600	$14,600,000	$10,560,000
Mobilization reserve stocks	4,440,000	4,440,000	7,940,000
Photographic material:			
Operating stocks	7,895,314	7,680,000	6,960,000
Mobilization reserve stocks	1,050,000	1,050,000	1,050,000
General stores:			
Operating stocks	275,139,929	245,330,000	204,740,000
Mobilization reserve stocks	160,020,000	124,060,000	120,060,000
Ships repair parts:			
Operating stocks	365,785,511	257,840,000	210,740,000
Mobilization reserve stocks	137,090,000	195,270,000	192,270,000
Forms and publications:			
Operating stocks	9,042,776	9,605,000	9,265,000
Mobilization reserve stocks	265,000	265,000	265,000
Navy medical and dental material:			
Operating stocks	5,512,185	5,000,000	4,840,000
Mobilization reserve stocks		1,600,000	3,200,000
Provisions:			
Operating stocks	32,559,837	30,680,000	30,000,000
Mobilization reserve stocks	11,890,000	11,890,000	11,890,000
Electronics:			
Operating stocks	174,725,753	139,140,000	115,290,000
Mobilization reserve stocks	39,730,000	39,230,000	34,230,000
Submarine repair parts:			
Operating stocks	24,583,584	22,972,000	22,622,000
Mobilization reserve stocks	13,268,000	13,268,000	13,268,000
Ships' store and commissary store stock:			
Operating stocks	25,005,560	28,500,000	28,500,000
Resale clothing and accessories:			
Operating stocks	29,279,708	21,650,000	14,370,000
Mobilization reserve stocks	520,000	500,000	500,000
Fuels and related items:			
Operating stocks	30,210,963	27,820,000	26,210,000
Mobilization reserve stocks	97,134,000	116,370,000	116,370,000
Base equipment repair parts:			
Operating stocks	23,937,513	20,070,000	15,970,000
Mobilization reserve stocks	29,556,000	27,060,000	32,260,000
Ordnance repair parts:			
Operating stocks			166,320,000
Mobilization reserve stocks			47,460,000
Other:			
Operating stocks	109,675	650,000	950,000
Excess or surplus stocks awaiting disposal	229,851,378	162,840,000	62,820,000
Single manager medical and dental material:			
Operating stocks	69,133,832	74,980,000	67,420,000
Mobilization reserve stocks	234,380,000	230,880,000	226,180,000
Excess or surplus stocks awaiting disposal	3,483,867		
Summary:			
Operating stocks	1,093,505,740	906,517,000	934,757,000
Mobilization reserve stocks	729,343,000	765,883,000	806,943,000
Excess or surplus stocks awaiting disposal	233,335,245	162,840,000	62,820,000
Total finished material in store	2,056,183,985	1,835,240,000	1,804,520,000
Material in transit from procurement	57,989,037	57,989,037	57,989,037
Material in transit between supply officers	51,371,326	51,371,326	51,371,326
Manufacturing work in process	199,477	199,477	199,477
Total inventories	2,165,743,825	1,944,799,840	1,914,079,840

The forecast inventory decrease of $252 million from 1958 to 1960 is the net of $264 million in material capitalized, $21 million in specific mobilization reserve stocks to be received from procurement, and $537 million in reductions. These reductions reflect an estimated $380 million in losses on disposal of surplus inventory, $110 million in sales of peacetime stocks without replacement, $30 million in authorized donations and $16 million in losses and adjustments.

Financing the budget program.—Funds for financing the budget program are derived from sales of material to authorized customers. Sales in 1960 are estimated at $5.6 million above the 1958 level, the net of a $22.4 million increase resulting from capitalization of ordnance repair parts and $16.8 million in decreases reflecting a slight decrease in customer requirements. In 1959 and 1960 cash receipts are expected to exceed disbursements by $10 million and $75 million, respectively. In 1958 and 1959, transfers from the fund of $100 million and $120 million, respectively, were effected to Military personnel, Navy. An additional $75 million is recommended for transfer to that appropriation in 1960.

Operating results and financial condition.—The statements show substantial net losses of $213.7 million in 1959 and $193.6 million in 1960 compared with a loss of $143.1 million in 1958. These losses are expected to result largely from disposal of excess and surplus inventories at about 5% of standard price.

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Net inventory losses of $6.8 million are forecast for 1959 and 1960, about the same as the loss experienced in 1958. This loss represents the net from discrepancies in shipments, pilferage, losses in storage, differences disclosed by physical inventories, and accounting adjustments.

The Government investment at June 30, 1960, is estimated at $2,093.3 million, consisting of $411.6 million of appropriations and reappropriations, $2,206.8 million of net capitalized inventory, and $525.1 million deficit.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net	$1,003,493,641	$1,105,320,000	$1,067,120,000
Transportation	48,896,468	43,220,000	39,600,000
Repair of unserviceable inventory	2,154,895	4,250,000	3,880,000
Increase (−) or decrease in liabilities	−12,162,581	710,000	−100,000
Profits from sale of ships' stores for transfer to "Ships' stores profits, Navy"	9,251,673	9,500,000	9,500,000
Total gross expenditures	1,051,634,096	1,163,000,000	1,120,000,000
Receipts from operations (funds provided):			
Revenue (reimbursable sales)	1,189,368,037	1,173,000,000	1,195,000,000
Decrease in accounts receivable	3,421,043		
Total receipts from operations	1,192,789,080	1,173,000,000	1,195,000,000
Budget expenditures	−141,154,984	−10,000,000	−75,000,000

Revenue, Expense, and Retained Earnings

Revenue: Sale of goods	$1,189,368,037	$1,173,000,000	$1,195,000,000
Expense:			
Purchase of goods (at cost)	1,003,493,641	1,105,320,000	1,067,120,000
Transportation	48,896,468	43,220,000	39,600,000
Repair of unserviceable inventory	2,154,895	4,250,000	3,880,000
Profits from sale of ships' stores for transfer to "Ships' stores profits, Navy"	9,251,673	9,500,000	9,500,000
Inventory decrease from operations	119,721,307	10,133,985	79,320,000
Inventory losses, net	6,812,860	6,800,000	6,800,000
Loss on disposal of inventory at less than standard prices	123,734,780	190,000,000	190,000,000
Charges (−) to capital for loss on disposal of inventory surplus at time of capitalization			−22,580,000
Total operating expense	1,314,065,624	1,369,223,985	1,373,640,000
Operating loss (−) for the year	−124,697,587	−196,223,985	−178,640,000
Markdown (−) of inventory due to revision of standard prices	−2,998,222	−2,510,000	
Donations for education, public health, or civil defense (40 U. S. C. 484 (j) (1), (2))	−15,430,259	−15,000,000	−15,000,000
Net loss (−) for the year	−143,126,068	−213,733,985	−193,640,000
Retained earnings or deficit (−), beginning of year	25,368,863	−117,757,205	−331,491,190
Deficit (−), end of year	−117,757,205	−331,491,190	−525,131,190

Financial Condition

Assets:			
Cash	$356,329,847	$246,329,847	$246,329,847
Accounts receivable	43,974,591	43,974,591	43,974,591
Inventories	2,165,743,825	1,944,799,840	1,914,079,840
Total assets	2,566,048,263	2,235,104,278	2,204,384,278
Liabilities:			
Current:			
Accounts payable	111,645,184	110,935,184	111,035,184
Other liabilities	92,862	92,862	92,862
Total liabilities	111,738,046	111,028,046	111,128,046
Government investment:			
Non-interest-bearing capital:			
Start of year	2,571,968,453	2,572,067,422	2,455,567,422
Transfer to "Military personnel, Navy" (71 Stat. 316; 72 Stat. 716; 1960 appropriation act)	−100,000,000	−120,000,000	−75,000,000
Net change in capitalized inventory	100,098,969	3,500,000	237,820,000
End of year	2,572,067,422	2,455,567,422	2,618,387,422
Deficit (−)	−117,757,205	−331,491,190	−525,131,190
Total Government investment	2,454,310,217	2,124,076,232	2,093,256,232

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$315,174,863	$356,329,847	$246,329,847	$246,329,847
Unfilled military assistance fund reservations	17,126,953	20,740,264	28,290,866	8,790,866
Total unexpended balance	332,301,816	377,070,111	274,620,713	255,120,713
Obligated balance, net:				
Accounts payable	99,575,465	111,645,184	110,935,184	111,035,184
Unpaid undelivered orders and unperformed contracts	204,180,509	206,857,700	197,867,700	199,967,700
Accounts receivable (−)	−47,395,634	−43,974,591	−43,974,591	−43,974,591
Unfilled customer orders (−)	−20,000,000	−20,000,000	−20,000,000	−20,000,000
Total obligated balance	236,360,340	254,528,293	244,828,293	247,028,293
Unobligated balance	95,941,476	122,541,818	29,792,420	8,092,420

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	224	212	212
	Average number of all employees	204	196	196
	Number of employees at end of year	197	196	196
	Average GS grade and salary	4.9 $4,196	4.9 $4,635	5.3 $4,713
	Average salary of ungraded positions	$4,448	$4,614	$4,659
01	Personal services:			
	Permanent positions	$908,147	$876,000	$876,000
	Other personal services	9,584	9,000	14,000
	Total personal services	$917,731	$885,000	$890,000
03	Transportation of things	48,896,468	43,220,000	39,600,000
07	Other contractual services	1,237,164	3,365,000	2,990,000
08	Supplies and materials	1,005,487,319	1,096,330,000	1,069,220,000
13	Refunds, awards, and indemnities	9,842,324	9,500,000	9,500,000
	Total obligations	1,066,381,006	1,153,300,000	1,122,200,000

Marine Corps Stock Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Ordnance-tank-automotive	$4,908,516	$14,900,000	$15,000,000
Construction supplies and related equipment	1,691,598	2,800,000	3,000,000
Communications—electronic and electric	2,872,914	5,800,000	8,000,000
General supply	4,688,705	9,000,000	6,800,000
Clothing and textiles	23,617,171	26,700,000	25,100,000
Fuel supply	4,924,379	5,100,000	5,300,000
Subsistence	28,254,061	29,000,000	29,100,000
Commissary stores supplies	18,023,569	21,700,000	24,700,000
Total program (obligations)	88,980,913	115,000,000	117,000,000
Financing:			
Sales of goods:			
Ordnance-tank-automotive	15,413,648	20,000,000	18,500,000
Construction supplies and related equipment	4,061,435	5,000,000	4,700,000
Communications—electronic and electric	3,160,564	4,300,000	4,800,000
General supply	10,855,155	13,400,000	12,500,000
Clothing and textiles	22,353,387	26,400,000	25,300,000
Fuel supply	5,294,955	5,500,000	5,400,000
Subsistence	27,022,760	28,000,000	28,000,000
Commissary stores supplies	18,574,591	22,400,000	25,800,000
Total sales	106,736,495	125,000,000	125,000,000
Increase or decrease (−) in unfilled customer orders	7,000,000	−4,900,000	200,000
Anticipated reimbursements for deliveries of materiel common to U. S. requirements ordered by military assistance in current year	365,161	525,000	
Total amounts becoming available	114,101,656	120,625,000	125,200,000
Unobligated balance brought forward	33,321,124	38,076,706	19,026,706
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other accounts	86,718	875,000	
Total amounts available	147,509,498	159,576,706	144,226,706

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

MARINE CORPS STOCK FUND—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance transferred to—"Military personnel, Navy" (71 Stat. 316)	−$20,000,000		
"Military personnel, Marine Corps" (72 Stat. 717; 1960 appropriation act)		−$25,000,000	−$15,000,000
Deliveries of materiel common to U. S. requirements ordered by military assistance	−451,879	−550,000	−370,000
Unobligated balance carried forward	−38,076,706	−19,026,706	−11,856,706
Financing applied to program	88,980,913	115,000,000	117,000,000

This fund commenced operation on July 1, 1953, and finances the procurement and maintenance of inventory levels for resale and mobilization reserve (5 U. S. C. 172d). All inventories except individual clothing and commissary stores are confined to storage locations in the United States.

In 1958 inventories of commissary stores were brought under the fund along with additional items of electronics, ordnance, and general supply. By the end of 1958 practically all secondary items and repair parts were financed under the stock fund, except for ammunition. Items capitalized in 1959 and 1960 result principally from returns from users.

Changes in inventory capitalized under each category of the fund are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Ordnance-tank-automotive	$44,193,906	$3,200,000	$1,517,000
Construction supplies and related equipment	1,287,620	1,019,000	878,000
Communications—electronic and electric	45,911,864	1,956,000	1,086,000
General supply	13,450,833	4,456,000	1,430,000
Clothing and textiles	−8,366,287	−5,940,000	200,000
Fuel supply	606,891		
Subsistence	20,684	−1,000,000	−1,100,000
Commissary stores supplies	1,270,622	1,000,000	1,100,000
Total inventories capitalized during year (net of decapitalizations)	98,376,133	4,691,000	5,111,000
Increase or decrease (−) in undelivered purchases to be paid from other accounts	−7,566,606	1,340,000	
Net change in capitalized inventories	90,809,527	6,031,000	5,111,000

Budget program.—The $28 million increase in the budget program from 1958 to 1960 is directly related to the increases in capitalization of the fund. Ordnance-tank-automotive will attain a $15 million level in 1959 and 1960, resulting from capitalizations in 1958. The increase in electronics from 1958 to 1960 also reflects capitalizations in 1958. The other principal increases, commissary stores, to $24.7 million in 1960 reflects the increasing use of commissary sales stores by retired personnel.

In 1960 approximately $12.1 million worth of inventory will be sold from long-supply stocks which do not require replacement. This compares to $15.6 million in 1959 and $7.4 million in 1958. The budget program is based on year-end inventories as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Ordnance-tank-automotive:			
Operating stocks	$153,885,877	$137,131,357	$120,738,357
Mobilization reserve stocks	31,676,084	31,676,100	31,676,100
Excess or surplus stocks awaiting disposal	5,728,496	11,510,000	15,410,000
Construction supplies and related equipment:			
Operating stocks	22,607,507	20,091,071	14,626,071
Mobilization reserve stocks	6,123,185	6,123,200	6,123,200
Excess or surplus stocks awaiting disposal	4,544,579	1,910,000	2,080,000
Communications—electronic and electric:			
Operating stocks	44,476,351	42,430,676	40,120,676
Mobilization reserve stocks	6,627,000	6,627,400	6,627,400
Excess or surplus stocks awaiting disposal	1,626,725	2,940,000	2,690,000
General supply:			
Operating stocks	$61,430,428	$52,802,016	$41,247,016
Mobilization reserve stocks	14,888,151	15,417,670	15,417,670
Excess or surplus stocks awaiting disposal	9,260,107	10,250,000	9,500,000
Clothing and textiles:			
Operating stocks	21,741,699	13,694,109	13,778,109
Mobilization reserve stocks	11,505,000	12,605,050	12,605,050
Excess or surplus stocks awaiting disposal	1,682,460		
Fuel supply:			
Operating stocks	1,264,536	1,017,905	887,905
Mobilization reserve stocks	4,000	4,000	4,000
Excess or surplus stocks awaiting disposal	130,369		
Subsistence:			
Operating stocks	3,842,628	3,756,628	3,556,628
Mobilization reserve stocks			
Excess or surplus stocks awaiting disposal			
Commissary stores supplies: Operating stocks	2,131,621	2,156,621	1,896,621
Summary:			
Operating stocks	311,380,647	273,080,383	236,851,383
Mobilization reserve stocks	70,823,420	72,453,420	72,453,420
Excess or surplus stocks awaiting disposal	22,972,736	26,610,000	29,680,000
Total inventories	405,176,803	372,143,803	338,984,803

Financing.—Funds for financing the budget program are derived from sales of inventory to authorized customers. Sales are expected to increase in 1960 about 17% over 1958. Practically all of this increase results from the sale of items brought into the fund in 1958 and 1959. Budget receipts are expected to exceed budget expenditures in 1960. It is recommended that $15 million in excess cash be transferred to Military personnel, Marine Corps in 1960.

Operating results.—A net loss of $25 million is forecast from 1960 operations. This results largely 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 1960, losses of this magnitude can be expected in the future.

Net inventory losses of $1.1 million and $1.2 million are expected in 1959 and 1960, respectively, compared with $4.4 million in 1958. This type of loss represents the net from discrepancies in shipment, losses in storage, pilferage, differences disclosed by physical inventories, and accounting adjustments.

Financial condition.—The investment of the Government in the fund at June 30, 1960, will be $374.6 million, made up of $550 million of capitalized assets, less net rescissions and transfers of $108 million and a deficit of $67.4 million.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale	$92,988,290	$107,701,000	$110,794,000
Transportation	239,529	289,000	277,000
Repair of unserviceable inventory	154,436	590,000	694,000
Increase (−) or decrease in accounts payable and other liabilities (net)	−2,638,098	420,000	−1,765,000
Total gross expenditures	90,744,157	109,000,000	110,000,000
Receipts from operations (funds provided):			
Reimbursable sales	106,736,495	125,000,000	125,000,000
Decrease (−) in deferred income	−120,889		
Increase (−) in accounts receivable and other debits	−775,758	−1,000,000	
Total receipts from operations	105,839,848	124,000,000	125,000,000
Budget expenditures	−15,095,691	−15,000,000	−15,000,000

Revenue, Expense, and Retained Earnings

Revenue: Net sales	$106,736,495	$125,000,000	$125,000,000
Expense:			
Cost of goods purchased, net	92,988,290	107,701,000	110,794,000
Transportation	239,529	289,000	277,000
Repair of unserviceable inventory	154,436	590,000	694,000
Inventory decrease from operations	7,369,030	15,624,000	12,130,000
Inventory losses, net	4,384,600	1,076,000	1,200,000
Issues of inventory without reimbursement	226,954	200,000	200,000

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Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Expense—Continued			
Loss on disposal of inventory at less than standard prices	$8,521,838	$15,145,000	$18,390,000
Total operating expense	113,884,677	140,625,000	143,685,000
Net operating loss (−)	−7,148,182	−15,625,000	−18,685,000
Markup of inventory due to revision of standard prices	4,403,757	430,000	
Donations to—			
Military assistance program (Mutual Security Act of 1954, as amended (22 U. S. C. 1751, 1812)		−800,000	−500,000
Education, public health, or civil defense (40 U. S. C. 484 (j) (1), (2))	−6,091,800	−5,309,000	−5,850,000
Net loss (−) for the year	−8,836,225	−21,304,000	−25,035,000
Deficit (−), beginning of year	−12,254,514	−21,090,739	−42,394,739
Deficit (−), end of year	−21,090,739	−42,394,739	−67,429,739

Financial Condition

Assets:			
Cash with Treasury	$52,625,570	$42,625,570	$42,625,570
Accounts receivable	1,482,059	2,482,059	2,482,059
Inventories	405,176,803	372,143,803	338,984,803
Due in from undelivered purchases to be paid from other accounts	1,580,653	2,920,653	2,920,653
Other assets	18,894	18,894	18,894
Total assets	460,883,979	420,190,979	387,031,979
Liabilities:			
Current: Accounts payable	11,044,541	10,624,541	12,389,541
Other liabilities	7,547	7,547	7,547
Total liabilities	11,052,088	10,632,088	12,397,088
Government investment:			
Non-interest-bearing capital:			
Start of year	400,113,103	470,922,630	451,953,630
Transferred to—			
"Military personnel, Navy" (71 Stat. 316)	−20,000,000		
"Military personnel, Marine Corps" (72 Stat. 717)		−25,000,000	
"Military personnel, Marine Corps" (1960 appropriation act)			−15,000,000
Net change in capitalized inventory	90,809,527	6,031,000	5,111,000
End of year	470,922,630	451,953,630	442,064,630
Deficit (−)	−21,090,739	−42,394,739	−67,429,739
Total Government investment	449,831,891	409,558,891	374,634,891

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$57,529,879	$52,625,570	$42,625,570	$42,625,570
Unfilled military assistance fund reservations			850,000	480,000
Total unexpended balance	57,529,879	52,625,570	43,475,570	43,105,570
Obligated balance, net:				
Current and other liabilities	8,534,879	11,052,088	10,632,088	12,397,088
Other obligations (unpaid undelivered orders and unperformed contracts)	21,399,071	16,978,835	23,398,835	28,633,835
Accounts receivable, net (−)	−725,195	−1,482,059	−2,482,059	−2,482,059
Unfilled customer orders (−)	−5,000,000	−12,000,000	−7,100,000	−7,300,000
Total obligated balance	24,208,755	14,548,864	24,448,864	31,248,864
Unobligated balance	33,321,124	38,076,706	19,026,706	11,856,706

Object Classification

	1958 actual	1959 estimate	1960 estimate
03 Transportation of things	$237,491	$289,000	$277,000
07 Other contractual services	154,436	590,000	694,000
08 Supplies and materials	88,588,986	114,121,000	116,029,000
Total obligations	88,980,913	115,000,000	117,000,000

Air Force Stock Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Clothing	$51,589,671	$52,000,000	$61,000,000
Medical-dental supplies	20,156,585	24,000,000	26,000,000
Aviation fuels	662,978,378	847,000,000	763,000,000
Subsistence—commissary	386,636,022	431,000,000	457,000,000
Air Force Academy cadet store	597,663	1,000,000	1,300,000
General supplies	70,377,803	70,000,000	74,700,000
Total program (obligations)	1,192,336,122	1,425,000,000	1,383,000,000
Financing:			
Amounts becoming available:			
Sales of goods:			
Clothing	50,363,144	60,000,000	65,000,000
Medical-dental supplies	21,862,876	22,200,000	23,000,000
Aviation fuels	719,178,502	748,000,000	753,000,000
Subsistence—commissary	389,610,645	424,000,000	450,000,000
Air Force Academy cadet store	634,005	800,000	1,100,000
General supplies	76,408,107	77,000,000	78,900,000
Net reimbursable sales	1,258,057,279	1,332,000,000	1,371,000,000
Increase in unfilled customer orders	1,309,686		
Adjustment of prior year revenue	−9		
Anticipated reimbursements for deliveries of materiel common to U. S. requirements ordered by military assistance in current year	11,763,075	15,000,000	
Total amounts becoming available	1,271,130,031	1,347,000,000	1,371,000,000
Unobligated balance brought forward	100,460,755	171,892,230	81,892,230
Unobligated balance (anticipated reimbursements to be earned from military assistance fund reservations) transferred from other service accounts	1,525,000	10,500,000	
Total amounts available	1,373,115,786	1,529,392,230	1,452,892,230
Unobligated balance transferred to "Military personnel, Air Force" (1960 appropriation act)			−50,000,000
Deliveries of materiel common to U. S. requirements ordered by military assistance	−8,887,434	−22,500,000	−7,400,641
Unobligated balance carried forward	−171,892,230	−81,892,230	−12,491,589
Financing applied to program	1,192,336,122	1,425,000,000	1,383,000,000

This fund, established on July 1, 1950, finances the procurement of approximately 86,000 items for resale and mobilization reserve.

During 1958, selected organizational clothing items and locally purchased medical materiel were included in the fund. In addition, base stocks of general supplies depot items and all authorized local purchase items were included on a test operation basis at Eglin Air Force Base to evaluate the advisability of extending and expanding to other Air Force installations. This evaluation is still continuing and the estimate reflects no change in scope in this area from 1958. Approximately 24,000 general supply items directly related to the operational capability of weapons systems were decapitalized in 1958. Also reflected in 1958 and 1959 are transfers of depot stocks of clothing and medical-dental items to the Army and Navy as a result of Department of Defense single manager assignments for depot level operations for those materiel categories. No other significant changes from the present scope of operations are projected. Changes in capitalized inventory by category are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Clothing	$9,676,460	−$4,600,830	$720,000
Medical-dental supplies	−2,626,790	−1,872,170	
Aviation fuels	197,585		
Subsistence—commissary	167,347	185,000	200,000
General supplies	−45,154,391	−3,459,000	700,000
Total inventories capitalized during year (net of decapitalizations)	−37,739,789	−9,747,000	1,620,000
Decrease (−) in undelivered purchases to be paid from other accounts	−1,222,307	−5,114,861	
Net change in capitalized inventories	−38,962,096	−14,861,861	1,620,000

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

AIR FORCE STOCK FUND—Continued

Budget program.—The program shows a net increase in obligations of $190.7 million from 1958 to 1960. Obligations are increased in 1959 primarily because of increased sales in aviation fuels; the cost of the first phase of 5-year service contracts necessary for better protection and wider dispersal of fuel storage facilities; and increased sales in the commissary sales stores. In 1960, obligations are decreased primarily as a result of a reduction of aviation fuels inventories, partially offset by obligations related to increased sales of aviation fuels, and clothing and commissary sales store items.

Inventory totals continue to decrease. A net decrease of $30 million from 1958 to 1960 reflects reductions in operating stocks of $26.5 million, and $15.5 million in excess, offset by increases in reserves, principally in fuels and medical-dental material.

The decrease in inventory from end 1958 to end 1959 is primarily attributable to reductions in current aviation fuels and general supplies operating stocks partially offset by an increase in aviation fuels mobilization reserve materiel. Inventories will further decrease by end 1960 due primarily to decreases in aviation fuels mobilization reserve materiel requirements, and further decreases in general supplies operating and excess stocks, offset by increases in aviation fuels and commissary operating stocks and in medical-dental reserve material.

The budget program is based on year-end inventories as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Clothing:			
Operating stocks	$39,087,706	$32,468,170	$32,641,000
Mobilization reserve stocks	11,583,055	12,641,000	12,641,000
Excess or surplus stocks awaiting disposal	8,100,000	2,000,000	2,000,000
Medical-dental supplies:			
Operating stocks	7,290,595	6,532,092	6,200,000
Mobilization reserve stocks	19,951,629	20,538,421	23,545,689
Excess or surplus stocks awaiting disposal	1,755,297	682,000	335,000
Aviation fuels:			
Operating stocks	80,533,072	57,232,000	70,997,000
Mobilization reserve stocks	174,407,000	216,552,000	182,291,000
Subsistence—commissary:			
Operating stocks	54,289,981	59,455,000	64,156,000
Mobilization reserve stocks	5,208,000	5,335,000	4,746,000
Air Force Academy cadet store: Operating stocks	119,804	222,000	265,000
General supplies:			
Operating stocks	90,441,265	74,137,000	70,973,000
Mobilization reserve stocks	1,200,000	1,200,000	1,200,000
Excess or surplus stocks awaiting disposal	11,000,000	5,100,000	3,000,000
Summary:			
Operating stocks	271,762,423	230,046,262	245,232,000
Mobilization reserve stocks	212,349,684	256,266,421	224,423,689
Excess or surplus stocks awaiting disposal	20,855,297	7,782,000	5,335,000
Total inventories	504,967,404	494,094,683	474,990,689

Financing.—Funds for financing the budget program are derived from sales to authorized customers. Sales in 1960 increase over 1958 due primarily to increased aviation fuel consumption, increased sales demands in commissary sales stores, and larger sales of organizational clothing items. The number of commissary sales stores increases from 421 in 1958 to 432 in 1959 and 434 in 1960. Budget receipts are expected to exceed budget expenditures by $25 million in 1959 and by the same amount in 1960. It is recommended that $50 million in cash be transferred to the appropriation, Military personnel, Air Force, in 1960, which will leave an investment sufficient to finance the level and scope of programs reflected in the estimates.

Operating results.—The estimates reflect a net loss in 1960 of $2.7 million, resulting mainly from the disposal or donation of materiel which was excess at the time capitalized. The net loss in 1959 of $11.5 million also results mainly from the disposal and donation of excess property.

Financial condition.—Investment of the Government at June 30, 1960, will be $719.7 million, made up of $171.3 million in appropriations and reappropriations, $716.2 million of capitalized assets and accumulated deficit of $167.8 million. This is a decrease of $77.4 million from the total investment at the end of 1958.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchases of goods for sale, net	$1,107,836,591	$1,262,387,543	$1,267,803,006
Transportation	57,243,019	60,017,000	62,129,000
Other operating expense	14,440,318	20,000,000	23,000,000
Increase (−) or decrease in accounts payable	−48,317,252	8,071,650	867,994
Increase or decrease (−) in advances	301,193	−76,193	
Total gross expenditures	1,131,503,869	1,350,400,000	1,353,800,000
Receipts from operations (funds provided):			
Reimbursable sales	1,258,057,279	1,332,000,000	1,371,000,000
Increase (−) or decrease in accounts receivable	−72,695,066	43,400,000	7,800,000
Adjustment of prior year revenue	−9		
Total receipts from operations	1,185,362,204	1,375,400,000	1,378,800,000
Budget expenditures	−53,858,335	−25,000,000	−25,000,000

Revenue, Expense, and Retained Earnings

Revenue: Sales of goods	$1,258,057,279	$1,332,000,000	$1,371,000,000
Expense:			
Purchase of goods at cost	1,107,836,591	1,262,387,543	1,267,803,006
Transportation	57,243,019	60,017,000	62,129,000
Other operating expense	14,440,318	20,000,000	23,000,000
Inventory increase (−) or decrease from operations	30,745,305	−24,299,279	4,476,994
Inventory losses, net	19,123,308	11,593,000	10,694,000
Loss on disposal of inventory at less than standard prices	31,624,036	12,900,000	4,960,000
Total operating expense	1,261,012,577	1,342,598,264	1,373,063,000
Net operating loss (−)	−2,955,298	−10,598,264	−2,063,000
Markdown (−) of inventory due to revision of standard prices	−11,823,481		
Donations: Education, public health, or civil defense (40 U. S. C. 484 (j) (1), (2))	−1,284,580	−932,000	−593,000
Net loss (−) for the year	−16,063,359	−11,530,264	−2,656,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−137,528,318	−153,591,686	−165,121,950
Adjustment of prior year revenue	−9		
Deficit (−), end of year	−153,591,686	−165,121,950	−167,777,950

Financial Condition

Assets:			
Cash	$248,065,987	$273,065,987	$248,065,987
Accounts receivable	201,985,239	158,585,239	150,785,239
Inventories	504,967,404	494,094,683	474,990,689
Advances	476,193	400,000	400,000
Due in from undelivered purchases to be paid from other accounts	5,114,861		
Total assets	960,609,684	926,145,909	874,241,915
Liabilities:			
Current: Accounts payable	163,464,224	155,392,574	154,524,580
Government investment:			
Non-interest-bearing capital:			
Start of year	989,699,242	950,737,146	935,875,285
Transferred to "Military personnel, Air Force" (1960 appropriation act)			−50,000,000
Net change in capitalized inventory	−38,962,096	−14,861,861	1,620,000
End of year	950,737,146	935,875,285	887,495,285
Deficit (−)	−153,591,686	−165,121,950	−167,777,950
Total Government investment	797,145,460	770,753,335	719,717,335

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Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$194,207,652	$248,065,987	$273,065,987	$248,065,987
Unfilled military assistance fund reservations		4,400,641	7,400,641	
Total unexpended balance	194,207,652	252,466,628	280,466,628	248,065,987
Obligated balance (net): Accounts payable	115,146,972	163,464,224	155,392,574	154,524,580
Unpaid undelivered orders and unperformed contracts	113,890,098	126,405,098	209,076,748	239,144,742
Accounts receivable (−)	−129,290,173	−201,985,239	−158,585,239	−150,785,239
Unfilled customer orders (−)	−6,000,000	−7,309,685	−7,309,685	−7,309,685
Total obligated balance	93,746,897	80,574,398	198,574,398	235,574,398
Unobligated balance	100,460,755	171,892,230	81,892,230	12,491,589

Object Classification

		1958 actual	1959 estimate	1960 estimate
03	Transportation of things	$57,243,019	$60,017,000	$62,129,000
07	Other contractual services	14,440,318	65,224,000	53,251,000
08	Supplies and materials	1,116,266,785	1,296,359,000	1,264,120,000
09	Equipment	4,386,000	3,400,000	3,500,000
	Total obligations	1,192,336,122	1,425,000,000	1,383,000,000

Intragovernmental funds:

ARMY INDUSTRIAL FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Cost of goods and services produced:			
Printing and pictorial activities	$7,700,580	$9,093,000	$7,902,000
Depot manufacturing and maintenance divisions	14,872,758	33,959,000	32,897,000
Ordnance arsenals	297,763,619	309,672,000	310,735,000
Ordnance proving grounds and research activities	50,808,803	61,538,000	61,800,000
Chemical arsenals	15,680,264	13,951,000	13,863,000
Chemical proving grounds and research activities	56,541,802	59,914,000	59,347,000
Transportation terminal commands	95,329,378	91,873,000	91,456,000
Total cost of goods and services produced [1]	538,697,204	580,000,000	578,000,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,000,000	−3,000,000
Obligations incurred for costs of other years, net	815,447		
Total program (obligations)	539,512,651	579,000,000	575,000,000
Financing:			
Amounts becoming available: Customer orders received:			
Printing and pictorial activities	9,065,175	7,831,000	7,902,000
Depot manufacturing and maintenance divisions	16,636,223	33,796,000	32,777,000
Ordnance arsenals	306,870,924	270,049,000	300,877,000
Ordnance proving ground and research activities	79,741,132	69,188,000	65,207,000
Chemical arsenals	11,130,380	9,333,000	11,155,000
Chemical proving ground and research activities	62,695,101	53,458,000	55,626,000
Transportation terminal commands	92,437,519	91,845,000	91,456,000
Total amounts becoming available	578,576,454	535,500,000	565,000,000
Unobligated balance brought forward	455,655,299	444,686,226	401,094,226
Total amounts available	1,034,231,753	980,186,226	966,094,226
Unobligated balance transferred to "Military personnel, Army" (71 Stat. 313)	−50,000,000		
Deliveries of materiel common to U. S. requirements ordered by military assistance	−32,876	−92,000	−1,000,000
Unobligated balance carried forward	−444,686,226	−401,094,226	−390,094,226
Financing applied to program	539,512,651	579,000,000	575,000,000

[1] Excludes adjustments of prior year expense.

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 pictorial center and, through September 30, 1958, a printing plant. The pictorial center produces, processes, and distributes motion pictures, film strips, recordings, transparencies, and television programs on military training, orientation, and education. Volume of business at the center increases in 1959 and decreases in 1960 because of a backlog of work carried over from 1958 to be accomplished in 1959.

Depot manufacturing and maintenance divisions.—For 1959 and 1960, this includes 9 activities located at 6 Army depots. The increase in 1959 results from addition of 5 activities, partially offset by discontinuance of 1 activity during 1958. These activities restore equipment to combat readiness, including 3 Quartermaster maintenance divisions, an Ordnance maintenance shop, 2 Engineer maintenance shops, a Signal maintenance shop, and a railroad repair shop. In addition, one activity manufactures clothing and textiles.

Ordnance arsenals.—These seven arsenals are engaged in research, development, industrial engineering and pilot manufacturing activities. Commodities involved include guided missiles, fire control, ammunition, small arms, artillery, and special weapons. About 90% of this work is performed for the Army and about 10% for other agencies. The increase in 1959 results largely from higher pay rates.

Ordnance proving grounds and research activities.—This includes a laboratory specializing in work on fuzes and a proving ground engaged primarily in research, development, and testing of ordnance materiel. Laboratory volume increases in 1959 in activities related to guided missiles and other developments in electronics. Proving ground operations increase in 1959 because they were financed through the fund for only 10 months in 1958. Little change is expected in 1960 at either activity.

Chemical arsenals.—These two arsenals are equipped for volume production and loading of hazardous chemical materials not suitable for commercial manufacture. Current production is limited to orders in support of research and development and maintenance of standby plant and equipment.

Chemical proving grounds and research activities.—These three activities are engaged primarily in work on chemical and biological warfare agents, delivery systems, and protective items. Research and development operations are expected to continue at the 1958 level.

Transportation terminal commands.—These three commands plan, regulate, control, and accomplish the export and import movement of personnel and cargo through Army terminals on the Atlantic, Pacific, and Gulf coasts. The commands also control transshipment of cargo through commercial outports on the Great Lakes and in South and Central America. Beginning January 1, 1958, commercial line-haul transportation, procurement of capital equipment, and certain maintenance and storage costs were excluded from the fund, accounting in part for the decrease in volume for 1959. Cargo and passenger workload is expected to decrease, as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Cargo (measurement tons)	8,157,231	8,088,000	7,980,000
Passengers	693,466	634,000	638,000

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:

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

ARMY INDUSTRIAL FUND—Continued

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventory and items on order:				
Materials and supplies	$24,461,133	$25,271,870	$25,476,470	$25,080,031
Advances	2,200,081	1,832,772	1,603,008	1,604,365
Provision for subsequent maintenance, claims, etc. (−)	−2,819,335	−1,701,829	−545,364	−476,364
Unpaid undelivered orders	75,814,420	73,153,717	70,639,711	67,965,793
Total selected resources at end of year	99,656,299	98,556,530	97,173,825	94,173,825
Selected resources at start of year (−)		−99,656,299	−98,556,530	−97,173,825
Decrease (−) in selected resources		−1,099,769	−1,382,705	−3,000,000
Materials and supplies capitalized (−) or decapitalized		−3,187,823	73,135	
Liabilities assumed: Accrued leave		5,421,360	317,931	
Adjustment of prior year expense		−318,321	−8,361	
Costs financed from obligations of other years, net (−)			−1,000,000	−3,000,000
Obligations incurred for costs of other years, net		815,447		

Costs and obligations are at about the same level with differences resulting from slight fluctuations in resource balances.

Additional activities considered for industrial-fund financing.—Additional installations under consideration for industrial-fund financing, not reflected in the estimates, include: 11 ordnance equipment rebuild activities, 3 signal equipment rebuild facilities, 1 engineer rebuild facility, and a railroad repair shop. Industrial-fund financing will be extended to these activities when studies, presently being conducted at similar installations, indicate that definite economies can be expected to result.

Financing the budget program.—This program is financed from customer orders. These orders constitute valid obligations of the ordering appropriation and authorize activities financed through the fund to initiate procurement and commence production. Costs are charged initially to the working capital of the fund and are billed to customers as the jobs are completed or periodically, as work progresses. Orders received by depot maintenance divisions are expected to increase by $17 million in 1959 due to the 4 additional activities reflected in the estimates. Orders received in 1959 are expected to decrease $47 million at Ordnance installations, $11 million at Chemical installations, and $2 million at all other installations. While orders received in 1959 decrease by $43 million, production costs increase by $41 million, resulting in a net decrease of $41 million in production backlog represented by unbilled orders. In 1960, orders received are expected to continue to be less than costs incurred, and a further reduction of $16 million in the backlog of unbilled orders is expected. By these reductions in the backlog of unfilled orders actual production operations are related more closely to developments in customer budget programs.

Operating results and financial condition.—The following table indicates 1958 net revenue and expense by activity:

	Revenue	*Expense*	*Gain or loss (−)*
Printing and pictorial activities	$7,372,506	$7,348,626	$23,880
Depot manufacturing and maintenance divisions	13,389,979	13,454,767	−64,788
Ordnance arsenals	278,672,342	277,933,882	738,460
Ordnance proving grounds and research activities	49,681,348	49,360,398	320,950
Chemical arsenals	16,000,311	16,035,913	−35,602
Chemical proving grounds and research activities	53,227,900	53,203,995	23,905
Transportation terminal commands	100,449,592	100,803,709	−354,117
Total	518,793,978	518,141,290	652,688

The net gain in 1958, resulting from the use of standard costs and fixed prices and overhead rates, amounted to about 0.1% of total sales. No gain or loss is projected in 1959 or 1960. While it is not possible to achieve an absolute break-even position each year in actual practice, installations develop budgets on this basis in order to avoid, so far as possible, any augmentation or overcharging of current customer appropriations.

Expenditures exceeded collections by $23.4 million in 1958. This offsets an abnormal working capital condition at the beginning of 1958. Changes in working-capital balances are expected to produce an excess of expenditures over collections of $6 million in 1959, and an excess of collections over expenditures of $4 million in 1960.

In 1958, $50 million was transferred to "Military personnel, Army." Of the estimated Government investment of $224.2 million at the close of 1960, $128.6 million is necessary to provide working capital for the activities currently financed through the fund, estimates for which appear in the statements and schedules. The balance of $95.6 million will provide for contingent requirements, including expanded coverage at installations currently financed through the fund and provision of working capital for additional installations being considered for industrial-fund financing in 1959 and 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of materials and supplies	$65,381,820	$79,254,717	$76,736,394
Costs, less material and supplies used	470,938,298	501,023,018	500,867,167
Liabilities assumed: Accrued leave	5,421,360	317,931	
Adjustment of prior year expense	−318,321	−8,361	
Increase (−) or decrease in current liabilities	−4,560,830	−2,012,727	204,455
Decrease in provision for subsequent maintenance, claims, etc	1,117,506	1,156,465	69,000
Increase or decrease (−) in advances made and deferred charges	−842,924	−306,465	1,357
Total gross expenditures	537,136,909	579,424,578	577,878,373
Receipts from operations (funds provided):			
Revenue	518,793,978	576,650,000	581,450,000
Sales against withdrawal credits (−)	−881,088	−251,335	
Adjustment of prior year revenue	263,789		
Increase (−) or decrease in accounts receivable	−5,034,186	−2,334,089	198,129
Increase or decrease (−) in advances from non-Federal sources	609,234	−639,998	230,244
Total receipts from operations	513,751,727	573,424,578	581,878,373
Budget expenditures	23,385,182	6,000,000	−4,000,000

Revenue, Expense, and Retained Earnings

Revenue:			
Manufacturing and assembly	$114,948,655	$118,540,000	$120,869,000
Overhaul and repair	16,404,269	35,854,000	35,738,000
Research and development	151,825,260	157,208,000	158,026,000
Transportation	81,680,964	72,947,000	72,942,000
Printing	859,146	661,000	570,000
Supply services	24,358,376	29,218,000	29,269,000
Capital additions and improvements	7,824,245	6,845,000	6,949,000
Support of reserve industrial capacity	9,862,592	11,771,000	13,085,000
Other revenue	111,030,471	143,606,000	144,002,000
Total revenue	518,793,978	576,650,000	581,450,000
Expense:			
Direct costs incurred:			
Labor	124,578,753	146,966,000	145,945,000
Material used	48,889,979	54,921,000	53,269,000
Contractual services	120,345,969	123,482,000	120,269,000
Other direct costs	31,026,815	28,276,000	31,317,000
Total direct costs	324,841,516	353,645,000	350,800,000
Indirect costs incurred:			
Manufacturing expense	118,280,917	123,207,000	123,548,000
General and administrative expense	95,581,133	103,175,500	103,679,000
Goods manufactured for inventory (−)	−6,362	−27,500	−27,000
Cost of goods and services produced	538,697,204	580,000,000	578,000,000
Increase (−) or decrease in unbilled costs	−20,555,914	−3,350,000	3,450,000
Cost of goods and services sold	518,141,290	576,650,000	581,450,000
Net income for the year	652,688		
Analysis of retained earnings:			
Retained earnings, beginning of year	1,426,213	2,661,011	2,669,372
Adjustment of prior year revenue	263,789		
Adjustment of prior year expense	318,321	8,361	
Retained earnings, end of year	2,661,011	2,669,372	2,669,372

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Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$186,046,642	$180,046,642	$184,046,642
Accounts receivable	23,368,599	25,702,688	25,504,559
Inventories:			
Work in process	67,350,011	66,138,215	62,235,477
Less progress billings	6,926,813	2,365,017	1,912,279
Net unbilled costs	60,423,198	63,773,198	60,323,198
Materials and supplies	25,271,870	25,476,470	25,080,031
Net inventories	85,695,068	89,249,668	85,403,229
Advances	1,832,772	1,603,008	1,604,365
Deferred charges: Items in transit	102,918	26,217	26,217
Total assets	297,045,999	296,628,223	296,585,012
Liabilities:			
Current	69,774,351	71,787,078	71,582,623
Advances from non-Federal sources	728,283	88,285	318,529
Withdrawal credits	251,335		
Provision for subsequent maintenance, claims, etc	1,701,829	545,364	476,364
Total liabilities	72,455,798	72,420,727	72,377,516
Government investment:			
Non-interest-bearing capital:			
Start of year	275,117,870	221,929,190	221,538,124
Transferred to "Military Personnel, Army" (71 Stat. 313)	−50,000,000		
Assets capitalized or decapitalized (−)	3,187,823	−73,135	
Liabilities assumed, net (−)	−6,376,503	−317,931	
End of year	221,929,190	221,538,124	221,538,124
Retained earnings	2,661,011	2,669,372	2,669,372
Total Government investment	224,590,201	224,207,496	224,207,496

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$259,431,824	$186,046,642	$180,046,642	$184,046,642
Unfilled military assistance fund reservations	1,197,420	1,164,544	1,072,544	72,544
Total unexpended balance	260,629,244	187,211,186	181,119,186	184,119,186
Obligated balance, net:				
Current liabilities	65,213,521	69,774,351	71,787,078	71,582,623
Advances from non-Federal sources	119,049	728,283	88,285	318,529
Unpaid undelivered orders	75,814,420	73,153,717	70,639,711	67,965,793
Accounts receivable and items in transit (−)	−18,912,946	−23,471,517	−25,728,905	−25,530,776
Unbilled balance of customer orders (−)	−317,260,099	−377,659,874	−336,761,209	−320,311,209
Total obligated balance	−195,026,055	−257,475,040	−219,975,040	−205,975,040
Unobligated balance	455,655,299	444,686,226	401,094,226	390,094,226

Object Classification

	1958 actual	1959 estimate	1960 estimate
ARMY			
Total number of permanent positions	57,831	56,682	56,584
Full-time equivalent of all other positions	264	184	172
Average number of all employees	54,266	55,118	55,400
Number of employees at end of year	54,833	55,530	55,530
Average GS grade and salary	6.7 $5,235	6.8 $5,816	6.8 $5,816
Average salary of ungraded positions	$4,734	$5,303	$5,303
01 Personal services:			
Permanent positions	$273,891,102	$305,230,069	$307,785,310
Positions other than permanent	1,241,739	913,440	869,179
Other personal services	6,483,389	6,054,891	6,035,315
Excess of annual leave earned over leave taken	6,881,061	1,396,267	480,796
Total personal services	288,497,291	313,594,667	315,170,600
02 Travel	5,660,155	5,950,000	5,900,000
03 Transportation of things	6,432,880	2,700,980	2,833,221
04 Communication services	2,165,376	2,379,039	2,460,983
05 Rents and utility services	6,145,758	6,981,115	7,163,684
06 Printing and reproduction	422,308	713,450	764,110
07 Other contractual services	139,915,387	141,212,468	138,348,944
08 Supplies and materials	65,381,820	79,254,717	76,736,394
09 Equipment	8,944,629	8,551,790	7,948,563
10 Lands and structures	459,818		
11 Grants, subsidies, and contributions	17,793,977	19,583,896	19,520,621

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ARMY—continued			
13 Refunds, awards, and indemnities	$316,010	$392,200	$402,100
15 Taxes and assessments	397,059	429,448	423,341
Total accrued expenditures	542,532,468	581,743,770	577,672,561
Decrease (−) in unpaid undelivered orders and advances made	−3,028,012	−2,743,770	−2,672,561
Total, Army	539,504,456	579,000,000	575,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year			
Average GS grade and salary	4.0 $3,755		
01 Personal services: Permanent positions	$3,742		
02 Travel	379		
06 Printing and reproduction	22		
07 Other contractual services	2,419		
Services performed by other agencies	1,321		
08 Supplies and materials	105		
11 Grants, subsidies, and contributions	178		
15 Taxes and assessments	29		
Total, allocation accounts	8,195		
Total obligations	539,512,651	$579,000,000	$575,000,000
Obligations are distributed as follows:			
Army	$539,504,456	$579,000,000	$575,000,000
Department of Agriculture	5,159		
Department of Commerce	2,398		
Department of the Interior	638		

Navy Industrial Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Cost of goods and services produced:			
Navy printing plants	$10,433,312	$10,650,000	$10,700,000
Naval ordnance plants	122,774,877	122,300,000	120,000,000
Naval shipyards	796,950,829	817,610,000	832,000,000
Military Sea Transportation Service	434,004,810	375,950,000	373,000,000
Marine clothing and equipment factory	4,823,959	4,915,000	4,925,000
Naval research activities	74,025,059	89,300,000	71,500,000
Naval base service activities	14,052,824	14,575,000	14,475,000
Total cost of goods and services produced [1]	1,457,065,670	1,435,300,000	1,426,600,000
Relation of costs to obligations: Obligations incurred for costs of other years, net	77,078,341	44,700,000	25,400,000
Total program (obligations)	1,534,144,011	1,480,000,000	1,452,000,000
Financing:			
Amounts becoming available: Customer orders received:			
Navy printing plants	10,303,383	10,650,000	10,700,000
Naval ordnance plants	119,645,630	109,800,000	114,000,000
Naval shipyards	881,930,675	712,975,000	821,000,000
Military Sea Transportation Service	421,166,475	375,950,000	373,000,000
Marine clothing and equipment factory	6,676,907	4,050,000	4,960,000
Naval research activities	89,543,908	59,300,000	69,865,000
Naval base service activities	14,185,766	14,575,000	14,475,000
Total amounts becoming available	1,543,452,744	1,287,300,000	1,408,000,000
Unobligated balance brought forward	896,176,055	835,484,788	627,784,788
Total amounts available	2,439,628,799	2,122,784,788	2,035,784,788
Unobligated balance transferred to "Military personnel, Navy" (71 Stat. 316; 72 Stat. 716)	−70,000,000	−15,000,000	
Unobligated balance carried forward	−835,484,788	−627,784,788	−583,784,788
Financing applied to program	1,534,144,011	1,480,000,000	1,452,000,000

[1] Excludes adjustments of prior year expense.

This fund finances 53 industrial and commercial-type activities on a reimbursable basis (5 U. S. C. 172d).

Budget program.—The program decreases by $21.8 million in 1959, the net of $17 million resulting from the pay increase for classified employees and $38.8 million in

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVY INDUSTRIAL FUND—Continued

reductions. Other factors contributing to cost changes in 1959 and 1960 are discussed below.

Navy printing plants.—These estimates cover 27 plants, including 5 overseas. During 1958, 2 plants were established and 2 discontinued. No additional plants are contemplated in 1959 and 1960. Workload is expected to be substantially constant. Increased wages and prices necessitated overall increases in prices charged to customers of about 12% in 1958; for 26 of the plants this was the first price increase in 3½ years. A stable price level is reflected in 1959 and 1960.

Naval ordnance plants.—This program includes seven plants performing work relating to guns and mounts, torpedoes, explosives, fuses, avionics equipment, missile launchers, and other items of ordnance and ammunition. Workload and operating levels will decline slightly in 1959 and 1960, offset in 1959 by increased personal service costs.

Naval shipyards.—These include 11 shipyards and a ship repair facility. Increases in 1959 result from the classified salary increase and from increased shipbuilding workload largely related to the fleet ballistic missiles program, partially offset by decreases in overhaul, alteration, and conversion work performed in these yards. Increases in construction and in other shipwork in 1960 are related to the fleet rehabilitation and modernization program.

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. Over 90% of income is billed on the basis of published tariff schedules for point-to-point lift. The remainder is billed on a per diem basis for use of ships, or on the basis of costs applied. Workload and cost trends are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Cargo ships:			
Measurement tons (cargo)	12,521,649	11,350,000	11,300,000
Per diem ship-days	12,744	7,300	7,550
Cost	$243,839,510	$226,900,000	$225,000,000
Passenger ships:			
Cabin passengers	216,777	190,700	190,000
Troop passengers	355,001	340,300	302,000
Total passengers	571,778	531,000	492,000
Per diem ship-days	153	61	61
Cost	$91,124,573	$73,250,000	$73,200,000
Petroleum ships:			
Long-tons (petroleum)	13,332,109	13,300,000	13,200,000
Per diem ship-days	2,144	541	541
Cost	$92,524,984	$73,200,000	$72,400,000
Arctic operations (cost reimbursable)	$6,515,743	$2,600,000	$2,400,000
Total costs	$434,004,810	$375,950,000	$373,000,000
Average tariff rates (July 1, 1956, rates equal 100):			
Cargo	110.5	113.3	113.3
Passengers:			
Cabin	139.6	128.3	128.3
Troop	118.4	103.1	103.1
Petroleum	114.9	95.5	95.5

The trends pictured above result from operating economies, reductions in the number of ships operated, and a favorable commercial market. These tariff trends closely parallel trends in unit cost of lift performed, and, together with the workload trends indicated above, account for the changes in costs reflected in the estimates. No reserve ships maintained for mobilization purposes will be financed through the fund in 1959 and 1960.

Marine clothing and equipment factory.—This factory serves as a pilot production plant to test design specifications and production methods and also manufactures clothing and textile items needed on short notice, in small lots, or under other conditions making commercial procurement impracticable. Workload is expected to be stable through 1959 and 1960.

Naval research activities.—These include the Naval Research Laboratory, the David Taylor Model Basin and the Naval Ordnance Laboratory, Corona, Calif. Increases of $15.3 million in 1959 consist primarily of $6 million for contracts monitored by the research laboratory related to the earth satellite program, an increase of $2 million at the model basin because of new facilities placed in operation in 1959, and an increase of $3 million at the ordnance laboratory for fuze development. Contractual costs for the earth satellite program related to the International Geophysical Year decline by about $18 million in 1960, producing the decrease in that year. Work performed in these activities, as distinct from work performed by contract, is expected to remain relatively stable through 1959 and 1960.

Naval base service activities.—These two activities operate motor pools and perform vehicle repair for adjacent commands. In addition, one of the activities operates and maintains utility services and furnishes other maintenance and custodial services. Workload and operating levels are expected to be stable through 1959 and 1960.

Additional activities being considered for industrial-fund financing.—Twenty-eight activities, not reflected in the estimates, are being considered for industrial-fund financing. These include 9 aircraft and engine overhaul facilities, 4 base service activities, 4 specialized ordnance depots, 5 ammunition depots, 3 ship repair activities, 2 equipment overhaul activities, and an installation engaged in development, test, and manufacture of aeronautical equipment. Industrial-fund financing will be extended to these activities if it is clear that definite economies can be derived thereby, and after a program is developed which will assure the application of management and cost controls to achieve these economies.

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 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventory and items on order:				
Materials and supplies	$88,507,104	$100,233,743	$95,933,743	$95,933,743
Advances and deferred charges	11,922,123	10,021,946	3,121,946	1,421,946
Provision for subsequent maintenance, claims, etc. (—)	−26,857,673	−21,646,465	−18,746,465	−18,746,465
Unpaid undelivered orders	107,349,987	162,236,737	213,236,737	240,336,737
Total selected resources at end of year	180,921,541	250,845,961	293,545,961	318,945,961
Selected resources at start of year (—)	−180,921,541	−250,845,961	−293,545,961	
Increase in selected resources		69,924,420	42,700,000	25,400,000
Materials and supplies decapitalized		1,484,453	2,000,000	
Inventory adjustment credited (—) to prior year income		−136,772		
Liabilities assumed: Accrued leave		1,533,183		
Adjustment of prior year expense		4,273,057		
Obligations incurred for costs of other years, net		77,078,341	44,700,000	25,400,000

Obligations exceeded costs by $77 million in 1958, largely attributable to an increase of $12 million in materials and supplies, resulting from generally increased activity in the fund in 1958, and an increase of $55 million in unpaid undelivered orders. The latter factor largely accounts for obligations exceeding costs by $45 million in 1959 and $25 million in 1960. These increases in unpaid undelivered orders relate largely to the Military Sea Transportation Service. Commercial contracts outstanding at the start

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of 1958 were at an abnormally low point because of unavailability of certain types of commercial shipping in 1957. Greater availability of commercial shipping produced an increase in contracts outstanding at the end of 1958. This is expected to continue and, in addition, contracts for longer terms are expected to produce increases in commercial contracts outstanding in 1959 and 1960.

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 $256 million in 1959. Of this decrease, $169 million occurs at naval shipyards, which received in 1958 a large volume of orders related to the fleet ballistic missile program and other shipbuilding work. Most of these orders will finance work undertaken in 1959 and later. Orders received decline by $45 million in the Military Sea Transportation Service because of the workload and cost considerations discussed above, and by about $30 million in research activities where the 1958 column reflects $34 million for the earth satellite program not recurring in 1959. For 1960, orders received are expected to be substantially in line with costs incurred.

Operating results and financial condition.—The following table indicates 1958 revenue and expense by activity:

	Revenue	*Expense*	*Gain or loss (−)*
Navy printing plants	$10,267,727	$10,425,390	−$157,663
Naval ordnance plants	123,690,625	123,594,577	96,048
Naval shipyards	808,316,784	802,425,169	5,891,615
Military Sea Transportation Service	440,476,816	434,004,810	6,472,006
Marine clothing and equipment factory	4,613,544	4,786,640	−173,096
Naval research activities	73,782,390	74,076,469	−294,079
Naval base service activities	14,185,766	14,052,824	132,942
Total	1,475,333,652	1,463,365,879	11,967,773

Retained earnings decreased by $5.9 million in 1958, the result of annual net income of $12 million, about 0.8% of total sales, and $18 million in negative adjustments applicable to prior years. In order to avoid, so far as possible, any augmentation or overcharging of customer appropriations, installations financed through this fund develop budgets and establish bases for charging each year upon the basis of no profit or loss. Transfers to "Military personnel, Navy" of $70 million in 1958 and $15 million in 1959 were effected. Of the estimated $288.6 million in Government investment at June 30, 1960, $251.5 million is necessary for working capital for activities now financed through the fund, estimates for which are reflected in the statements and schedules. The remaining $37.1 million is necessary to provide working capital for additional activities to be financed through this fund in the future.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures:			
Purchase of materials and supplies	$283,583,315	$264,000,000	$271,300,000
Costs, less materials and supplies used	1,186,556,675	1,169,000,000	1,155,300,000
Liabilities assumed: Accrued leave	1,533,183		
Adjustment of prior expense	4,273,057		
Increase (−) or decrease in current liabilities	−4,540,728	10,000,000	100,000
Decrease in provision for subsequent maintenance, claims, etc	5,211,208	2,900,000	
Decrease (−) in advances made and deferred charges	−1,900,177	−6,900,000	−1,700,000
Total gross expenditures	1,474,716,533	1,439,000,000	1,425,000,000
Receipts from operations:			
Revenue	1,475,333,652	1,432,000,000	1,426,000,000
Sales against withdrawal credits (−)	−424,846		
Adjustment of prior year revenue	−13,750,543		
Increase (−) or decrease in accounts receivable	39,236,905	−2,500,000	−1,000,000
Increase or decrease (−) in advances from non-Federal sources	915,169	−500,000	
Decrease (−) in billings for unterminated voyages	−5,455,171		
Total receipts from operations	1,495,855,166	1,429,000,000	1,425,000,000
Budget expenditures	−21,138,633	10,000,000	

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue:			
Manufacturing and assembly	$122,293,038	$120,700,000	$119,000,000
Overhaul and repair	363,603,686	336,000,000	343,200,000
Construction and conversion of ships	327,310,948	365,300,000	373,200,000
Research and development	86,636,969	100,700,000	86,600,000
Transportation	435,445,044	375,200,000	372,200,000
Printing	10,205,704	10,600,000	10,650,000
Supply services	37,725,791	37,900,000	37,850,000
Capital additions and improvements	2,781,965	2,600,000	2,300,000
Other revenue	89,330,507	83,000,000	81,000,000
Total revenue	1,475,333,652	1,432,000,000	1,426,000,000
Expense:			
Direct costs incurred:			
Labor	451,973,001	465,800,000	476,700,000
Material used	193,721,216	195,000,000	199,500,000
Contractual services	339,349,191	309,300,000	287,000,000
Other direct costs	87,147,489	69,900,000	69,900,000
Total direct costs	1,072,190,897	1,040,000,000	1,033,100,000
Indirect costs incurred:			
Manufacturing expense	166,351,466	167,000,000	166,900,000
General and administrative expenses	234,054,145	241,700,000	239,700,000
Goods manufactured for inventory (−)	−15,530,838	−13,400,000	−13,100,000
Cost of goods and services produced	1,457,065,670	1,435,300,000	1,426,600,000
Increase (−) or decrease in unbilled costs	6,300,209	−3,300,000	−600,000
Cost of goods and services sold	1,463,365,879	1,432,000,000	1,426,000,000
Net income for the year	11,967,773		
Analysis of retained earnings:			
Retained earnings, beginning of year	25,046,969	19,127,914	19,127,914
Adjustment of prior year revenue	−13,750,543		
Adjustment of prior year expense	−4,273,057		
Inventory adjustment credited to prior year income	136,772		
Retained earnings, end of year	19,127,914	19,127,914	19,127,914

Financial Condition

Assets:			
Cash	$166,800,091	$141,800,091	$141,800,091
Accounts receivable	77,252,822	79,752,822	80,752,822
Inventories:			
Work in process	158,923,384	158,224,179	146,125,691
Less progress billings	28,794,762	24,795,557	12,097,069
Net unbilled costs	130,128,622	133,428,622	134,028,622
Materials and supplies	100,233,743	95,933,743	95,933,743
Net inventories	230,362,365	229,362,365	229,962,365
Advances	1,560,359	1,060,359	960,359
Deferred charges	8,461,587	2,061,587	461,587
Total assets	484,437,224	454,037,224	453,937,224
Liabilities:			
Current	150,357,825	140,357,825	140,257,825
Advances from non-Federal sources	2,115,522	1,615,522	1,615,522
Billings for unterminated voyages	4,688,344	4,688,344	4,688,344
Provision for subsequent maintenance, claims, etc	21,646,465	18,746,465	18,746,465
Total liabilities	178,808,156	165,408,156	165,308,156
Government investment:			
Non-interest-bearing capital:			
Start of year	359,518,790	286,501,154	269,501,154
Transferred to "Military personnel, Navy" (71 Stat. 316; 72 Stat. 716)	−70,000,000	−15,000,000	
Assets decapitalized (−)	−1,484,453	−2,000,000	
Liabilities assumed (−)	−1,533,183		
End of year	286,501,154	269,501,154	269,501,154
Retained earnings	19,127,914	19,127,914	19,127,914
Total Government investment	305,629,068	288,629,068	288,629,068

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance with Treasury	$215,661,458	$166,800,091	$141,800,091	$141,800,091
Obligated balance, net:				
Current liabilities	145,817,097	150,357,825	140,357,825	140,257,825
Advances from non-Federal sources	1,200,353	2,115,522	1,615,522	1,615,522
Unpaid undelivered orders	107,349,987	162,236,737	213,236,737	240,336,737
Accounts receivable (−)	−116,489,727	−77,252,822	−79,752,822	−80,752,822
Unbilled balance of customer orders (−)	−818,392,307	−906,141,959	−761,441,959	−743,441,959
Total obligated balance	−680,514,597	−668,684,697	−485,984,697	−441,984,697
Unobligated balance	896,176,055	835,484,788	627,784,788	583,784,788

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVY INDUSTRIAL FUND—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	137,514	135,893	137,564
Full-time equivalent of all other positions	189	218	183
Average number of all employees	135,149	133,069	134,376
Number of employees at end of year	133,425	133,903	135,045
Average GS grade and salary	6.5 $5,232	6.7 $5,731	6.7 $5,747
Average salary of ungraded positions	$5,263	$5,329	$5,335
01 Personal services:			
Permanent positions	$693,139,045	$720,271,367	$727,941,264
Positions other than permanent	1,108,963	1,320,410	1,201,360
Other personal services	37,552,841	36,295,840	38,307,903
Excess of annual leave earned over leave taken	3,066,399		233,835
Excess of annual leave taken (−) over leave earned		−655,311	
Total personal services	734,867,248	757,232,306	767,684,362
02 Travel	4,071,343	4,000,000	4,000,000
03 Transportation of things	2,901,864	2,500,000	2,500,000
04 Communication services	2,132,050	2,000,000	2,050,000
05 Rents and utility services	15,717,878	15,200,000	15,300,000
06 Printing and reproduction	2,340,108	2,300,000	2,300,000
07 Other contractual services	380,421,079	332,627,694	305,320,638
08 Supplies and materials	283,583,315	264,000,000	271,300,000
09 Equipment	7,239,070	7,000,000	7,000,000
11 Grants, subsidies, and contributions	46,152,450	47,400,000	47,500,000
12 Pensions, annuities, and insurance claims	281,943	260,000	260,000
13 Refunds, awards, and indemnities	1,082,513	1,020,000	1,025,000
15 Taxes and assessments	366,577	360,000	360,000
Total accrued expenditures	1,481,157,438	1,435,900,000	1,426,600,000
Increase in unpaid undelivered orders, advances made, and deferred charges	52,986,573	44,100,000	25,400,000
Total obligations	1,534,144,011	1,480,000,000	1,452,000,000

AIR FORCE INDUSTRIAL FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Cost of goods and services produced:			
Printing and duplicating service	$6,904,553	$7,318,000	$7,451,000
Laundry and dry cleaning service	7,179,789	7,327,000	7,345,000
Airlift service		287,526,000	288,803,000
Total cost of goods and services produced [1]	14,084,342	302,171,000	303,599,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−8,500,000
Obligations incurred for costs of other years, net	127,903	9,441,400	
Total program (obligations)	14,212,245	311,612,000	295,099,000
Financing:			
Amounts becoming available: Customer orders received:			
Printing and duplicating service	6,860,878	7,318,000	7,451,000
Laundry and dry cleaning service	7,275,648	7,327,000	7,345,000
Airlift service		287,526,000	288,803,000
Total amounts becoming available	14,136,526	302,171,000	303,599,000
Unobligated balance brought forward	6,007,347	80,931,628	71,490,228
Total amounts available	20,143,873	383,102,628	375,089,228
Unobligated balance transferred (71 Stat. 430) from—			
"Operation and maintenance, Air Force"	67,700,000		
"Reserve personnel, Air Force"	4,500,000		
"National Guard personnel, Air Force"	2,800,000		
Unobligated balance carried forward	−80,931,628	−71,490,228	−79,990,228
Financing applied to program	14,212,245	311,612,400	295,099,000

[1] Excludes adjustments of prior year expense.

This fund finances industrial and commercial type activities on a reimbursable basis (5 U. S. C. 172d).

Budget program—Printing and duplicating service.—On July 1, 1957, the Air Force Printing Service was expanded to include duplicating facilities operating as adjuncts to the industrialized printing plants. An additional plant was included on October 1, 1958. No additional plants are reflected for 1959 and 1960. Production in 1958 was approximately 1.8 billion printing units and is estimated to increase to 1.9 billion printing units during 1959 and 1960, the increase resulting primarily from the inclusion of the additional plant.

Laundry and dry cleaning service.—At June 30, 1958, this included 47 plants. A gain of 2 plants in 1959 is offset by discontinuance of 1 plant in 1959 and 1 plant in 1960. A new pricing policy requiring each activity to establish prices locally was placed in effect at all overseas activities during 1958 as an incentive for better management, in line with the policy which has been in effect in the continental United States. Estimated total production for 1960 will be approximately 110.5 million pieces of laundry and dry cleaning as compared with 110.3 million pieces for 1959 and 107 million pieces produced in 1958.

Airlift service.—The operation of the airlift service portion of the Military Air Transport Service was included under the industrial fund on July 1, 1958. The purpose of the airlift service is to insure that the approved D–Day and wartime requirements of the Department of Defense are met. This requires that military air transport forces be available for initial emergency combat deployments and other military requirements which cannot be satisfied by surface movement or by nonmilitary airlift efforts. Commercial airlift is relied on to supplement a minimum military force.

As an integral part of the combat forces, military transport aircraft and support services must train and exercise in peacetime at a rate from which they can expand effectively in an emergency, thus producing an airlift capability. Economy dictates use of this military capability in meeting peacetime airlift requirements.

Aircraft will be utilized for air evacuation of patients, special air missions, training of airborne troops, and, as augmented by commercial aircraft, common-user airlift for passengers, cargo and mail. Airlift service workload and operating data are as follows:

	1959 estimate	*1960 estimate*
Operating aircraft, end of year:		
Common-user	455	442
Other	91	91
Total	546	533
Millions of ton-miles (common-user):		
Cargo and mail	1,140.0	1,016.1
Passenger	403.1	403.1
Civilian employment, end of year	3,314	2,907

Additional activities being considered for industrial-fund financing.—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.

Relation of costs to obligations.—The relationship of costs to obligations is derived from year-end balances of

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selected resources and applicable adjustments as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventory and items on order:				
Materials and supplies	$736,552	$759,252	$785,034	$781,034
Deferred charges	4,294	1,782		
Unpaid undelivered orders	120,458	208,484	8,726,484	230,484
Total, selected resources at end of year	861,304	969,518	9,511,518	1,011,518
Selected resources at start of year (−)		−861,304	−969,518	−9,511,518
Increase or decrease (−) in selected resources		108,214	8,542,000	−8,500,000
Materials and supplies capitalized (−) or decapitalized		−74,157	−29,800	
Inventory adjustment charged to prior year revenue		4,994		
Liabilities assumed: Accrued leave		94,596	929,200	
Adjustment of prior year payables		−5,744		
Costs financed from obligations of other years, net (−)				−8,500,000
Obligations incurred for costs of other years, net		127,903	9,441,400	

Fixed annual contracts for commercial airlift were effective on October 1, 1958, so that one-fourth of the amounts of these contracts will be outstanding on June 30, 1959. This causes unpaid undelivered orders to increase in 1959, the principal reason for obligations in excess of costs for that year. In 1960, it is expected that such contracts will terminate on June 30, coincident with the fiscal year. The resulting decline in unpaid undelivered orders is the principal reason for costs in excess of obligations in 1960, since about $8.5 million in 1960 costs will be financed from contracts obligated in 1959.

Financing the budget program.—This program is financed by customer orders for services. In 1958, $75 million was transferred to this fund from other Air Force appropriations to provide working capital required for the airlift service.

Operating results and financial condition.—It is estimated that expenditures will exceed collections by $29 million in 1959, reflecting the initial impact of the operation of the airlift service under the fund. This results from a greater time period required to effect collections than to liquidate liabilities. Government investment is estimated to be $81 million at the end of 1959 and 1960, consisting of $81 million in reappropriations and transfers and $0.7 million in retained earnings, less $0.7 million in net capitalized assets and liabilities assumed.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of materials and supplies	$3,078,584	$91,167,200	$99,735,000
Costs, less materials and supplies used	10,959,295	210,999,782	203,860,000
Liabilities assumed: Accrued leave	94,596	929,200	
Adjustment of prior year expense	−5,744		
Increase (−) in current liabilities	−1,236,921	−30,801,400	
Decrease (−) in deferred charges	−2,512	−1,782	
Total gross expenditures	12,887,298	272,293,000	303,595,000
Receipts from operations (funds provided):			
Revenue	14,110,799	302,176,000	303,603,000
Adjustment of prior year revenue	−10,732		
Increase (−) in accounts receivable	−1,217,395	−58,882,880	−8,000
Decrease (−) in advances from non-Federal sources	−2,401	−120	
Total receipts from operations	12,880,271	243,293,000	303,595,000
Budget expenditures	7,027	29,000,000	

Revenue, Expense, and Retained Earnings

Printing and duplicating service:			
Revenue	$6,824,419	$7,323,000	$7,455,000
Expense	6,868,094	7,323,000	7,455,000
Net loss (−), printing and duplicating service	−43,675		

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Laundry and dry cleaning service:			
Revenue	$7,286,380	$7,327,000	$7,345,000
Expense	7,179,789	7,327,000	7,345,000
Net income, laundry and dry cleaning service	106,591		
Airlift service:			
Revenue		287,526,000	288,803,000
Expense		287,526,000	288,803,000
Net income, airlift service			
Total income for the year	62,916		
Analysis of retained earnings:			
Retained earnings, beginning of year	670,241	723,175	723,175
Adjustment of prior year revenue and expense, net	−9,982		
Retained earnings, end of year	723,175	723,175	723,175

Financial Condition

Assets:			
Cash	$82,112,714	$53,112,714	$53,112,714
Accounts receivable	1,877,909	60,760,789	60,768,789
Inventories:			
Work in process	133,559	128,559	124,559
Materials and supplies	759,252	785,034	781,034
Net inventories	892,811	913,593	905,593
Deferred charges	1,782		
Total assets	84,885,216	114,787,096	114,787,096
Liabilities:			
Current	2,983,950	33,785,350	33,785,350
Advances from non-Federal sources	120		
Total liabilities	2,984,070	33,785,350	33,785,350
Government investment:			
Non-interest-bearing capital:			
Start of year	6,198,410	81,177,971	80,278,571
Transfer (71 Stat. 430) from—			
"Operation and maintenance, Air Force"	67,700,000		
"Reserve personnel, Air Force"	4,500,000		
"National Guard personnel, Air Force"	2,800,000		
Assets capitalized	74,157	29,800	
Liabilities assumed (−)	−94,596	−929,200	
End of year	81,177,971	80,278,571	80,278,571
Retained earnings	723,175	723,175	723,175
Total Government investment	81,901,146	81,001,746	81,001,746

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance with Treasury	$7,119,741	$82,112,714	$53,112,714	$53,112,714
Obligated balance, net:				
Current liabilities	1,747,029	2,983,950	33,785,350	33,785,350
Advances from non-Federal sources	2,521	120		
Unpaid undelivered orders	120,458	208,484	8,726,484	230,484
Accounts receivable (−)	−660,514	−1,877,909	−60,760,789	−60,768,789
Unbilled balance of customer orders (−)	−97,100	−133,559	−128,559	−124,559
Total obligated balance	1,112,394	1,181,086	−18,377,514	−26,877,514
Unobligated balance	6,007,347	80,931,628	71,490,228	79,990,228

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,475	5,149	5,155
Full-time equivalent of all other positions	113	115	115
Average number of all employees	2,436	5,075	5,011
Number of employees at end of year	2,615	5,163	4,776
Average GS grade and salary	5.1 $4,155	4.4 $4,258	4.3 $4,248
Average salary of ungraded positions	$3,028	$3,930	$3,925

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

AIR FORCE INDUSTRIAL FUND—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Permanent positions	$7,481,201	$20,034,578	$19,675,157
Positions other than permanent	223,860	169,000	169,000
Other personal services	260,300	848,322	921,743
Excess of annual leave earned over leave taken	158,112	929,200	
Total personal services	8,123,473	21,981,100	20,765,900
02 Travel	2,365	8,590,000	9,116,000
03 Transportation of things	16,530	28,000	28,500
04 Communication services	408	763,600	889,600
05 Rents and utility services	951,136	1,204,600	1,243,300
06 Printing and reproduction	133,289	115,400	122,000
07 Other contractual services	136,567	175,623,700	168,102,200
Labor contracts with foreign governments [1]	1,254,652	2,392,000	2,387,300
08 Supplies and materials	3,078,584	91,167,200	99,735,000
11 Grants, subsidies, and contributions	393,413	1,169,500	1,141,900
13 Refunds, awards, and indemnities	22,130	39,600	42,800
15 Taxes and assessments	11,672	19,700	20,500
Total accrued expenditures	14,124,219	303,094,400	303,595,000
Increase or decrease (−) in unpaid undelivered orders	88,026	8,518,000	−8,496,000
Total obligations	14,212,245	311,612,400	295,099,000

Man-years of employment, 1958, 1,170; 1959, 1,907; 1960, 1,904.

ARMY MANAGEMENT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Defense telephone service, Washington, D. C.	$5,546,245	$5,816,000	$5,853,000
2. Transportation services		302,392,000	300,000,000
3. Construction activity, Europe	2,426,280	2,453,000	2,347,000
Total obligations	7,972,525	310,661,000	308,200,000
Financing:			
Unobligated balance brought forward	1,090,734	1,063,693	1,000,000
Advances and reimbursements from—			
Other accounts	7,400,157	309,997,307	307,550,000
Non-Federal sources (69 Stat. 350)	545,327	600,000	650,000
Unobligated balance carried forward	−1,063,693	−1,000,000	−1,000,000
Total financing	7,972,525	310,661,000	308,200,000

This fund was created to simplify operations which are financed by two or more appropriations (5 U. S. C. 172e). The corpus of the fund consists of $1 million. Activities presently financed through the fund are as follows:

1. *Defense telephone service, Washington, D. C.*, finances the operations of the telephone service of the Department of Defense in Washington.

2. *Transportation services* provide for the payment centrally of transportation charges for Government bills of lading, transportation requests, meal tickets, and other charges incident to transportation costs by all agencies in the Department of the Army. Beginning July 1, 1958, advances were made from pertinent appropriations in order to simplify, at Army installations, the dealings with carriers and other administrative and accounting detail incident to travel and transportation.

3. *Construction activity, Europe*, finances certain administrative and overhead expenses of the Department of Defense construction programs in Western Europe.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	338	299	299
Average number of all employees	318	279	280
Number of employees at end of year	279	280	280
Average GS grade and salary	6.3 $5,121	6.5 $5,860	6.5 $5,860
01 Personal services:			
Permanent positions	$1,748,744	$1,611,000	$1,616,000
Other personal services	376,161	253,000	253,000
Total personal services	2,124,905	1,864,000	1,869,000
02 Travel	49,434	75,706,300	75,058,000
03 Transportation of things	12,108	226,971,000	225,192,000
04 Communication services	4,664,773	4,869,000	4,857,000
05 Rents and utility services	47,217	82,000	82,000
06 Printing and reproduction	160,815	187,000	177,000
07 Other contractual services	61,540	53,200	47,300
Services performed by other agencies	717,157	778,400	778,000
08 Supplies and materials	26,269	35,000	23,000
09 Equipment	610	500	500
11 Grants, subsidies, and contributions	104,530	111,500	113,200
13 Refunds, awards, and indemnities	2,248	2,000	2,000
15 Taxes and assessments	919	1,100	1,000
Total obligations	7,972,525	310,661,000	308,200,000

NAVY MANAGEMENT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Electronics production resources agency	$220,526	$270,000	$284,000
2. Interdepartmental activities	489,547	725,400	585,900
3. Navy industrial exhibits	214,036	305,000	350,000
4. Inspection of naval material	30,162,481	30,544,000	30,271,000
5. Departmental administrative services	2,203,702	2,259,500	2,319,400
6. Incentive awards	1,619,521	1,800,000	1,800,000
7. Transportation of things	184,482,355	179,500,000	178,300,000
8. Spanish base construction	15,434,774	6,000,000	15,000,000
9. Special projects	403,806,665	1,082,831,370	893,275,000
10. Prior year advances returned		19,000,000	
Total obligations	638,633,607	1,323,235,270	1,122,185,300
Financing:			
Unobligated balance brought forward	52,896,398	181,814,366	79,311,996
Advances and reimbursements from—			
Other accounts	767,382,853	1,220,732,900	1,131,527,300
Non-Federal sources (40 U. S. C. 485 (e))	31,633		
Restored from surplus fund	159,716		
Unobligated balance carried forward	−181,814,366	−79,311,996	−88,653,996
Unobligated balance no longer available	−22,627		
Total financing	638,633,607	1,323,235,270	1,122,185,300

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. Principal operations financed are construction of the Army, Navy, and Air Force bases and stations in Spain; the material inspection service; incentive award payments; 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; the Navy industrial exhibits program, and the special project which provides for costs of the fleet ballistic missile program. Amounts are advanced to this fund from various Navy appropriations for this latter program, and costs are then

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lodged against this fund. This and other programs financed through the fund are reported in terms of amounts available from contributing appropriations.

Object Classification

	1958 actual	1959 estimate	1960 estimate
NAVY MANAGEMENT FUND			
Total number of permanent positions	6,068	6,493	6,407
Average number of all employees	5,754	6,120	6,090
Number of employees at end of year	5,485	6,472	6,401
Average GS grade and salary	7.1 $5,291	7.3 $5,999	6.5 $5,579
Average salary of ungraded positions	$5,069	$5,262	$5,276
01 Personal services:			
Permanent positions	$29,877,814	$34,958,310	$34,985,848
Positions other than permanent	6,970		
Other personal services	976,639	1,753,135	1,918,201
Total personal services	30,861,423	36,711,445	36,904,049
02 Travel	1,305,158	1,667,077	1,728,800
03 Transportation of things	184,612,080	179,520,086	178,325,000
04 Communication services	2,440,333	2,632,570	2,651,625
05 Rents and utility services	90,284	125,610	110,610
06 Printing and reproduction	301,719	392,575	389,700
07 Other contractual services	163,296,316	386,676,299	382,414,176
Services performed by other agencies	9,223,448	15,960,895	14,494,000
08 Supplies and materials	16,437,479	223,479,600	151,969,300
09 Equipment	173,267,159	336,553,900	315,219,750
10 Lands and structures	45,572,284	85,539,870	33,790,550
11 Grants, subsidies, and contributions	1,597,617	1,806,773	2,340,740
13 Refunds, awards, and indemnities	1,635,705	20,830,000	1,830,000
15 Taxes and assessments	14,207	16,965	17,000
Total, Navy	630,655,212	1,321,913,665	1,122,185,300
ALLOCATION TO ATOMIC ENERGY COMMISSION			
07 Other contractual services	7,978,395	1,321,605	
Total obligations	638,633,607	1,323,235,270	1,122,185,300

Air Force Management Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction and equipment of distant early warning line	$12,085,205		
2. Armed Forces supply support center	3,639,192	$5,223,000	$5,946,000
3. Prior year advances returned	9,240,695	2,036,920	
Total obligations	24,965,092	7,259,920	5,946,000
Financing:			
Unobligated balance brought forward	6,103,938	3,036,920	1,000,000
Advances and reimbursements from other accounts	22,094,821	5,223,000	5,946,000
Restored from surplus fund	519,288		
Unobligated balance carried forward	−3,036,920	−1,000,000	−1,000,000
Unobligated balance no longer available	−716,035		
Total financing	24,965,092	7,259,920	5,946,000

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. Construction, equipment, and prestocking of operating supplies and material of the main segment of the distant early warning line which was begun in 1954 and completed in 1958, were financed through this fund. Activities for this project in 1959 will include return of advances or adjustments of previous contracts. On July 1, 1958, the operations of the central Federal catalog office were included as a function of the Armed Forces supply support center, which administers the Defense standardization program, Federal catalog system, and the Defense program for material utilization and screening of excess material. This project is financed jointly by the three military departments with certain cataloging services performed for the General Services Administration on a reimbursable basis.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	286	432	432
Full-time equivalent of all other positions		1	1
Average number of all employees	263	413	428
Number of employees at end of year	281	432	432
Average GS grade and salary	7.0 $5,323	7.1 $6,102	7.1 $6,127
01 Personal services:			
Permanent positions	$1,469,659	$2,494,400	$2,638,210
Positions other than permanent		13,000	13,000
Other personal services	156,837	143,600	127,790
Total personal services	1,626,496	2,651,000	2,779,000
02 Travel	8,614	55,000	55,000
03 Transportation of things	6,973,799	4,000	23,900
04 Communication services	15,457	20,000	57,000
05 Rents and utility services	861,870	970,000	1,388,800
06 Printing and reproduction	80,513	670,700	734,000
07 Other contractual services	4,452,616	560,000	649,300
08 Supplies and materials	629,228	48,000	37,800
09 Equipment	983,686	81,000	48,000
11 Grants, subsidies, and contributions	91,772	160,800	170,700
13 Refunds, awards, and indemnities	9,240,695	2,037,920	1,000
15 Taxes and assessments	346	1,500	1,500
Total obligations	24,965,092	7,259,920	5,946,000

Naval Working Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Other Government agencies	$2,022,404	$2,689,000	$2,561,000
2. Special deposits	20,970,166	27,879,000	26,551,000
3. Foreign governments	701,430	932,000	888,000
Total obligations	23,694,000	31,500,000	30,000,000
Financing:			
Unobligated balance brought forward	6,318,467	9,677,458	5,177,458
Advances and reimbursements from—			
Other accounts	5,070,813	5,000,000	5,000,000
Non-Federal sources (31 U. S. C. 643)	21,982,178	22,000,000	22,000,000
Unobligated balance carried forward	−9,677,458	−5,177,458	−2,177,458
Total financing	23,694,000	31,500,000	30,000,000

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, repairs, 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	651	551	551
Average number of all employees	574	539	539
Number of employees at end of year	540	539	539
Average GS grade and salary	4.9 $4,196	4.9 $4,635	5.3 $4,713
Average salary of ungraded positions	$4,448	$4,614	$4,659
01 Personal services:			
Permanent positions	$2,373,589	$2,276,000	$2,276,000
Other personal services	211,618	175,000	185,000
Total personal services	2,585,207	2,451,000	2,461,000
05 Rents and utility services	4,878,242	6,713,000	6,364,000
07 Other contractual services	4,122,547	5,673,000	5,378,000
08 Supplies and materials	11,979,240	16,520,000	15,654,000
11 Grants, subsidies, and contributions	126,653	140,000	140,000
15 Taxes and assessments	2,111	3,000	3,000
Total obligations	23,694,000	31,500,000	30,000,000

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

CONSOLIDATED WORKING FUNDS, ARMY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Communication services:			
Department of Commerce	$71,834	$127,027	
Other agencies	5,652		
2. Construction:			
National Aeronautics and Space Administration	563,305	51,695	
Atomic Energy Commission	43,168	37,536	$38,000
3. Extraordinary expense	3,230,303	5,173,616	1,050,000
4. Procurement:			
Office of Civil and Defense Mobilization	17,611		
National Science Foundation	1,269	519	
5. Research and development	563,663	741,667	250,000
6. Prior year advances returned	456,494	415,041	
Total obligations	4,953,299	6,547,101	1,338,000
Financing:			
Unobligated balance brought forward	3,608,393	3,897,101	500,000
Advances from other accounts	4,717,895	3,150,000	838,000
Recovery of prior year obligations	525,735		
Unobligated balance carried forward	−3,897,101	−500,000	
Unobligated balance no longer available	−1,623		
Total financing	4,953,299	6,547,101	1,338,000

Object Classification

Total number of permanent positions		54		48		7
Full-time equivalent of all other positions		25		23		23
Average number of all employees		74		67		30
Number of employees at end of year		64		64		30
Average GS grade and salary	7.7	$5,663	7.1	$6,004	5.4	$5,070
01 Personal services:						
Permanent positions		$289,930		$261,972		$35,285
Positions other than permanent		54,469		44,915		49,830
Other personal services		2,341		1,452		441
Total personal services		346,740		308,339		85,556
02 Travel		8,303		21,600		
03 Transportation of things		527		700		
04 Communication services		82,424		137,227		
05 Rents and utility services		153		200		
06 Printing and reproduction		3,625		10,900		
07 Other contractual services		664,703		1,547,921		750,000
08 Supplies and materials		689,998		822,100		5,000
09 Equipment		643,278		612,700		495,000
10 Lands and structures		2,044,375		2,653,424		
11 Grants, subsidies, and contributions		12,204		16,834		2,444
13 Refunds, awards, and indemnities		456,644		415,041		
15 Taxes and assessments		325		115		
Total obligations		4,953,299		6,547,101		1,338,000

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 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 prohibiting 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), *as amended*.

SEC. 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] *$265* 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 interests 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. 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] *Appropriations for the Department of Defense for the current fiscal year*

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shall be available for: (a) Donations of not to exceed $25 to each prisoner upon each release from confinement in military or contract prison (except disciplinary barracks) and to each person discharged for fraudulent enlistment; (b) authorized issues of articles to prisoners (except those in disciplinary barracks); (c) subsistence of selective service registrants called for induction, applicants for enlistment while held under observation, prisoners (except those in disciplinary barracks), and supernumeraries when necessitated by emergent military circumstances; (d) reimbursement for subsistence of enlisted personnel while sick in hospitals; and (e) expenses of prisoners confined in nonmilitary facilities: 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.

SEC. 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. 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. 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. 611. [Not more than $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 reimbursement to appropriations] *Appropriations of the Department of Defense* available for operation and maintenance, *may be reimbursed during the current fiscal year* for *all* expenses [of] *involved in the preparation for* disposal *and disposal* of military supplies, equipment, and materiel, *from amounts received as proceeds from the sale of any such property*: *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 interest.

SEC. 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. 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, *except Alaska*, 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 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. 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 *of the Department of Defense* (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. 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) *as amended*, to certain members of the Armed Forces otherwise entitled to receive flight pay during the fiscal year [1959] *1960* (1) who have held aeronautical ratings or designations for not less than twenty years, or (2) whose particular assignment outside the United States *or in Alaska* makes it impractical to participate in regular aerial flights.

SEC. 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. 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. 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 623 of this Act.

[SEC. 619. Funds provided in this Act for public information and public relations shall not exceed $2,755,000.]

SEC. [620] *619*. Not more than 20 per centum of the apprcpriations in this Act which are limited for obligation during fiscal year [1959].*1960* 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. [621] *620*. During the fiscal year [1959] *1960* 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

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GENERAL PROVISIONS—Continued

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, agencies of the Department of Defense may 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. [622] *621.* 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. [623] *622.* 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. [624] *623.* 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. [625] *624.* 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. [626] *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. [627] *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. [628] *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. [629] *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. [630] *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. [631] *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 from stock or which has been procured for the purpose 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 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. 632. Funds provided in this Act for legislative liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed $2,110,000.]

[SEC. 633. Hereafter, any appropriation available to the agencies concerned for the pay and allowances of members of the uniformed services may be utilized for the payment of claims as authorized by Public Law 85–255, approved September 2, 1957.]

[SEC. 634. Of the funds made available by this Act for the services of the Military Air Transport Service, $80,000,000 shall be available only for procurement of commercial air transportation service; and the Secretary of Defense shall utilize the services of civil air carriers which qualify as small businesses to the fullest extent found practicable.]

[GENERAL PROVISIONS]

[SEC. 601. 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 second session of the Eighty-fifth Congress.]

[SEC. 602. 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. 603. 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. 604. 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. 605. Funds appropriated to the military departments for construction are hereby made available for: (1) advance planning, construction design and architectural services, as authorized by section 504 of the Act of September 28, 1951, as amended (69 Stat. 352), (2) acquisition of land, installation of outside utilities, and site preparation for housing projects to be constructed under title VIII of the National Housing Act, as amended, as authorized by section 505 of the Act of September 28, 1951 (65 Stat. 365), and (3) hire of passenger motor vehicles.]

[SEC. 606. 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. 607. 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. 608. The family unit costs for family housing including land authorized to be purchased by section 103 of the Act of August

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30, 1957 (Public Law 85-241), may exceed by not more than 15 per centum the respective limitations on such costs contained in this Act.]

[SEC. 609. 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. 610. During the current fiscal year, appropriations available for construction of family quarters for personnel shall not be obligated for such construction at a cost per family unit in excess of $22,000 on housing units for generals or equivalent; $19,800 on housing units for colonels or equivalent; $17,600 on housing units for majors and lieutenant colonels, or equivalent; $15,400 on housing units for second lieutenants, lieutenants, captains, and warrant officers, or equivalent; or $13,200 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 $32,000 and in no event shall the individual cost exceed $40,000.]

[SEC. 611. No part of the funds contained in this Act shall be used to incur obligations for the planning, design, or construction of facilities for an Air Force Academy the total cost of which will be in excess of $139,797,000.]

[SEC. 612. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 110 per centum of the value as determined by the Corps of Engineers or the Bureau of Yards and Docks, except: (a) where there is a determination of value by a Federal court, (b) purchases negotiated by the Attorney General or his designee, and (c) where the estimated value is less than $25,000.]

[SEC. 613. No part of the funds contained in this Act shall be used for the construction of a hospital at the Air Force Academy at a cost in excess of $3,600,000.]

[SEC. 614. Such appropriations of the Department of Defense, available for obligation during the current fiscal year, as may be designated by the Secretary of Defense shall be available for the purposes of section 1 of the Act approved April 3, 1958 (72 Stat. 78): *Provided*, That any such appropriations so utilized shall be accounted for under the limitation established by section 4 of said Act.] (*Military Construction Appropriation Act, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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]				
OPERATION AND MAINTENANCE								
Operation and maintenance, Army							$451,000	Civilian and military personnel of the Department of the Army, and other authorized persons: Transportation associated with 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							1,907,000	Do.
Station wagon							292,500	Do.
Ambulance						975		Hospitals, dispensaries, and infirmaries: Transportation of patients.
Operation and maintenance, Navy	419	$655,100	419		$655,100	3,372	481,720	Civilian and military personnel of the Department of the Navy: 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. Recruiters: Transportation in connection with recruiting services. Shore patrol personnel: Transportation required during periods of temporary shore patrol duties.
Bus	205	1,148,000	205		1,148,000	1,211	753,180	Civilian and military personnel of the Department of the Navy: Transaction of official business.
Station wagon	[2] 430	752,500			752,500	1,280		Do.
Ambulance	63	308,700	63		308,700	475		Hospital and dispensaries: Transportation of patients.
Operation and maintenance, Air Force.							157,100	Civilian and military personnel of the Department of the Air Force: Transportation associated with meetings and conferences and other official business.
Bus							3,665,000	Do.
Salaries and expenses, Secretary of Defense.	5	7,500	5		7,500	19	1,500	Civilian and military personnel of the Office of the Secretary of Defense: Transportation associated with meetings and conferences and for other official business.
Station wagon			1					
Total, operation and maintenance.	1,122	2,871,800	693		2,871,800	7,332	7,709,000	
PROCUREMENT								
Procurement of equipment and missiles, Army.	1,355	2,088,500	1,355		2,088,500	16,115		Civilian and military personnel of the Department of the Army, Armed Forces special weapons project, and other authorized persons: Transportation associated with meetings and conferences, and for other official business.
Station wagon	1	1,775	1		1,775	869		Do.
Bus	3	36,000	3		36,000	4,184		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 schoolchildren from military housing areas to off-base schools.
Procurement, Marine Corps	20	30,000	20		30,000	975		Civilian and military personnel of the Marine Corps: Transaction of official business.
Bus						166		Do.
Station wagon						166		Do.
Other procurement, Air Force	876	1,315,500	[3] 821		1,315,500	4,314		Civilian and military personnel of the Department of the Air Force: Transportation associated with meetings and conferences and other official business. Instructors and personnel of the Air National Guard: In connection with training and instruction.
Station wagon	[4] 995	1,791,000	[5] 226		1,791,000	4,520		Do.
Bus	579	2,165,460	484		2,165,460	2,790		Do.
Ambulance	127	602,234	97		602,234	547		Hospitals, dispensaries, and infirmaries: Transportation of patients.
Total, procurement	3,956	8,030,469	3,007		8,030,469	34,646		
Total, Department of Defense—Military functions.	5,078	10,902,269	3,700		10,902,269	41,978	7,709,000	

[1] Items shown without an exchange allowance represent over-age and wornout vehicles which will not be exchanged but will be disposed of as surplus.

[2] 430 station wagons to be procured will replace 146 light sedans and 284 carryalls being used as substitutes for station wagons.

[3] It is estimated that 25 sedans will be transferred to General Services Administration interagency motor pools.

[4] 705 of the station wagons to be procured will replace carryalls being used as substitutes for station wagons.

[5] It is estimated that 36 station wagons will be transferred to General Services Administration interagency motor pools.

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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)				
OPERATION AND MAINTENANCE								
Operation and maintenance, Army						88	$1,600,671	Military and civilian personnel and other Government officials: Air transportation of personnel for special missions and administrative purposes.
Aircraft and facilities, Navy						288	25,980,000	Do.
Operation and maintenance, Air Force.						781	45,230,000	Do.
Operation and maintenance, Air National Guard.						64	1,235.000	Military and civilian personnel and other Government officials: Air transportation of personnel for administrative purposes.
PROCUREMENT								
Aircraft procurement, Air Force	45	$77,000,000			$77,000,000			Military and civilian personnel and other Government officials: Air transportation of personnel, cargo, and mail; special air missions, and other administrative uses.
REVOLVING AND MANAGEMENT FUNDS								
Air Force industrial fund						266	106,600,000	Do.
Total, Department of Defense—Military Functions.	45	77,000,000			77,000,000	1,487	180,645,671	

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SUMMARY OF MILITARY ASSISTANCE FUND RESERVATIONS FOR PAYMENT TO DEPARTMENT OF DEFENSE APPROPRIATIONS

	Balance of reservations, July 1, 1957	1958 fund reservations	Adjustments, 1958	Deliveries in 1958—		Balance of reservations, July 1, 1958	1959 fund reservations	Adjustments, 1959
				From reservations prior to 1958	From 1958 reservations			
Operation and maintenance:								
Operation and maintenance, Army	$63,162,650	$50,581,815		$63,162,650	$7,371,624	$43,210,191	$43,000,000	$53,157,195
Operation and maintenance, Navy								
Operation and maintenance, Air Force	17,209,809	3,318,600	−$9,255,927	6,953,882	2,993,505	1,325,095	25,000,000	16,174,905
Aircraft and facilities, Navy		98,278	27,752,484	17,752,484	98,278	10,000,000	835,000	
Civil engineering, Navy	4,527,565	1,775,945	73,792	2,160,521	163,951	4,052,830	2,255,000	1,420,279
Marine Corps troops and facilities	4,960,362	1,467,971	−1,321,957	1,097,822	425	4,008,129	6,145,000	−829,707
Navy personnel, general expenses	5,526,674	1,773,184	−5,800	1,763,824	82,197	5,448,037	1,517,000	−238,102
Ordnance and facilities, Navy	1,000,000	1,000,000	838,954	1,838,954		1,000,000	2,375,000	
Servicewide supply and finance, Navy	861,161			251,826		609,335	232,000	
Ships and facilities, Navy	6,499,004	2,791,850	270,481	2,030,442	217,640	7,313,253	11,898,000	−618,815
Total, operation and maintenance	103,747,225	62,807,643	18,352,027	97,012,405	10,927,620	76,966,870	93,257,000	69,065,755
Procurement:								
Procurement of equipment and missiles, Army.	468,035,572	605,702,778		245,857,548	2,257,540	825,623,262	167,000,000	−53,157,195
Aircraft and related procurement, Navy	118,637,516	92,722,578	−27,885,238	24,454,035		159,020,821	37,229,000	−1,235,209
Shipbuilding and conversion, Navy	13,876,495	385,625	−275,101	5,554,493	385,625	8,046,901	96,631,000	829,654
Procurement of ordnance and ammunition, Navy.	44,040,935	7,360,433	−2,562,402	17,922,057	761,492	30,155,417	40,346,000	−1,929,744
Procurement, Marine Corps	12,197,835	2,651,574	−1,120,608	2,002,127		11,726,674	5,037,000	1,414,042
Aircraft procurement, Air Force								
Missile procurement, Air Force								
Other procurement, Air Force								
Aircraft, missiles, and related procurement, Air Force.	910,989,710	224,089,040	30,196,438	609,893,524	30,000,000	525,381,663	165,000,000	−26,674,904
Procurement other than aircraft and missiles, Air Force.	445,068,864	123,965,738	−22,682,717	187,113,007		359,238,879	205,000,000	
Total, procurement	2,012,846,927	1,056,877,766	−24,329,628	1,092,796,791	33,404,657	1,919,193,617	716,243,000	−80,753,356
Research, development, test, and evaluation:								
Research, development, test, and evaluation, Air Force.			217,206	217,205		1		−1
Revolving and management funds:								
Army stock fund	116,693,212	241,822,549		116,687,730	32,225,249	209,602,782	135,000,000	
Navy stock fund	17,126,953	15,193,605	4,148,677	10,954,698	4,774,273	20,740,264	26,975,000	312,602
Marine Corps stock fund		365,161	86,718	86,718	365,161		525,000	875,000
Air Force stock fund		11,763,075	1,525,000	1,525,000	7,362,434	4,400,641	15,000,000	10,500,000
Army industrial fund	1,197,420			32,876		1,164,544		
Total, revolving and management funds	135,017,585	269,144,390	5,760,395	129,287,022	44,727,117	235,908,231	177,500,000	11,687,602
1960 fund reservations from appropriations proposed for later transmission.								
Total, Department of Defense—Military Functions.	2,251,611,737	1,388,829,799		1,319,313,423	89,059,394	2,232,068,719	987,000,000	

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SUMMARY OF MILITARY ASSISTANCE FUND RESERVATIONS FOR PAYMENT TO DEPARTMENT OF DEFENSE APPROPRIATIONS—Continued

Deliveries in 1959—		Balance of reservations, July 1, 1959	1960 fund reservations	Adjustments, 1960	Deliveries in 1960—		Balance of reservations, July 1, 1960	
From reservations prior to 1959	From 1959 reservations				From reservations prior to 1960	From 1960 reservations		
								Operation and maintenance:
$85,670,000	$10,000,000	$43,697,386			$42,000,000		$1,697,386	Operation and maintenance, Army.
				$21,967,129	9,438,177		12,528,952	Operation and maintenance, Navy.
17,500,000	10,000,000	15,000,000			15,000,000			Operation and maintenance, Air Force.
7,000,000	80,000	3,755,000			3,330,000		425,000	Aircraft and facilities, Navy.
3,000,000	23,000	4,705,109		−1,755,000	2,950,109			Civil engineering, Navy.
2,000,000	620,000	6,703,422		−5,548,276	1,155,146			Marine Corps troops and facilities.
2,000,000	150,000	4,576,935		−2,496,367	2,080,568			Navy personnel, general expenses.
999,952	230,000	2,145,048		−1,875,048	270,000			Ordnance and facilities, Navy.
250,000	20,000	571,335		−200,000	212,000		159,335	Servicewide supply and finance, Navy.
2,500,000	5,506,000	10,586,438		−10,092,438	494,000			Ships and facilities, Navy.
120,919,952	26,629,000	91,740,673			76,930,000		14,810,673	Total, operation and maintenance.
								Procurement:
369,000,000	40,000,000	530,466,067	$35,000,000		285,000,000		280,466,067	Procurement of equipment and missiles, Army.
68,050,000	3,700,000	123,264,612	20,000,000		73,000,000		70,264,612	Aircraft and related procurement, Navy.
5,000,000	38,454,000	62,053,555			58,000,000		4,053,555	Shipbuilding and conversion, Navy.
15,000,048	4,630,000	48,941,625			15,000,000		33,941,625	Procurement of ordnance and ammunition, Navy.
5,000,000	500,000	12,677,716			6,200,000		6,477,716	Procurement, Marine Corps.
			18,000,000				18,000,000	Aircraft procurement, Air Force.
			7,000,000				7,000,000	Missile procurement, Air Force.
			20,000,000				20,000,000	Other procurement, Air Force.
364,545,663	100,000,000	199,161,096			199,161,096			Aircraft, missiles, and related procurement, Air Force.
212,295,879	30,000,000	321,943,000			321,943,000			Procurement other than aircraft and missiles, Air Force.
1,038,891,590	217,284,000	1,298,507,671	100,000,000		958,304,096		440,203,575	Total, procurement.
								Research, development, test, and evaluation:
								Research, development, test, and evaluation, Air Force.
								Revolving and management funds:
171,000,000	9,000,000	164,602,782			140,000,000		24,602,782	Army stock fund.
16,837,000	2,900,000	28,290,866			19,500,000		8,790,866	Navy stock fund.
500,000	50,000	850,000			370,000		480,000	Marine Corps stock fund.
12,500,000	10,000,000	7,400,641			7,400,641			Air Force stock fund.
92,000		1,072,544			1,000,000		72,544	Army industrial fund.
200,929,000	21,950,000	202,216,833			168,270,641		33,946,192	Total, revolving and management funds.
			1,035,000,000			$100,000,000	935,000,000	**1960 fund reservations from appropriations proposed for later transmission.**
1,360,740,542	265,863,000	1,592,465,177	1,135,000,000		1,203,504,737	100,000,000	1,423,960,440	Total, Department of Defense—Military Functions.

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DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

The new obligational authority of $902 million recommended for the Civil Functions of the Department of Defense for 1960 is $31 million more than the estimated total for 1959. Approximately 96% of the total is for programs of the Corps of Engineers, Army, for which an increase of $55 million is recommended, primarily for construction underway. The major part of the decrease of $24 million for other programs results from the fact that further financing for the Panama Canal Bridge will not be necessary after 1959. Estimated expenditures of $853 million will be $84 million more than in 1959 as construction progresses on projects of the Corps of Engineers, Army, financed in part from appropriations made in prior years.

Economic and technical development.—New obligational authority of $4 million is requested for 1960 for a grant to the government of the Ryukyu Islands, an increase of $3 million over 1959. A 1959 supplemental of $10 million proposed for later transmission will provide additional electrical generating capacity needed by the United States Civil Administration. Expenditures will increase in 1960 as construction progresses on the powerplant and other facilities.

Other veterans' services and administration.—An increase in new obligational authority for 1960 is included in the budget for the national cemetery system administered by the Army Quartermaster Corps. This increase will provide for a continued rise in numbers of interments, gravesites maintained, and headstones procured as well as for additional projects for development and construction.

Conservation and development of land and water resources.—The appropriation request for the Corps of Engineers, Army, will finance continued progress in 1960 on 65 navigation projects, 99 flood control projects, and 21 multiple-purpose projects with hydroelectric power facilities. It is anticipated that 42 projects will be completed in 1960. Schedules for completion will be extended on a few going projects.

No funds are recommended for starting new projects in 1960. Surveys, investigations, and preconstruction planning will be continued at a level somewhat below 1959, and essential operation and maintenance requirements will be met.

New obligational authority of $865 million requested for 1960 is $55 million more than the estimate for 1959. This increase results mainly from the volume of new construction initiated during the past several years. Expenditures in 1960 are estimated at $815 million, as compared with $725 million estimated for 1959.

Promotion of water transportation.—Operating costs of the Panama Canal Company are estimated to decrease in 1960 because of the extraordinary payment in 1959 to the civil service retirement fund to cover retroactive contributions due to treaty legislation. It is anticipated that tolls will increase because of passage of a larger number of vessels through the canal. Funds will be provided in 1960 for starting a replacement program for living quarters of employees and for continuation of construction on projects under way in 1959. Expenditures for the Panama Canal Bridge, which was started in 1959, will increase by $2 million.

Territories and possessions.—The 1960 budget for the Canal Zone Government provides new obligational authority to begin construction of three schools as well as some streets and sewers needed in connection with the quarters replacement program of the Panama Canal Company. Preparation of plans will begin on a modern medical center partially to replace Gorgas Hospital. Operating expenses of the Canal Zone Government are expected to increase over 1959, largely as a result of enactment of the Canal Zone Wage and Employment Act, due to the 1955 treaty.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
International affairs and finance:						
152 Economic and technical development	$4,036	$13,462	$6,282	$2,703	$3,720	$9,400
Veterans' services and benefits:						
106 Other veterans' services and administration	6,878	7,537	9,000	7,437	7,401	8,200
Natural resources:						
401 Conservation and development of land and water resources	638,651	810,052	864,848	699,271	725,400	815,320
404 Conservation and development of fish and wildlife	23	26	26	21	26	26
Total, natural resources	638,674	810,078	864,874	699,292	725,426	815,346
Commerce and housing:						
511 Promotion of water transportation	750	19,250		−1,065	12,596	5,289
518 Other aids to business				8,207	−1,341	−6,929
Total, commerce and housing	750	19,250		7,142	11,255	−1,640
General government:						
609 Territories and possessions, and the District of Columbia	17,468	21,282	22,030	16,751	21,422	21,919
610 Other general government				162	100	50
Total, general government	17,468	21,282	22,030	16,913	21,522	21,969
Total, Department of Defense—Civil Functions	667,806	871,609	902,186	733,488	769,324	853,275

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
CEMETERIAL EXPENSES, ARMY												
Current authorizations:												
Salaries and expenses	106	$6,878	$6,915	$135	$9,000	$7,279	$6,950	$130	$7,080	$8,028	$5	$8,033
Entombment of unknown Americans of World War II and Korea	106	----------	----------	----------	----------	158	1	----------	1	----------	----------	----------
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	106	----------	----------	487	----------	----------	----------	320	320	----------	167	167
Total, cemeterial expenses, Army	------	6,878	6,915	622	9,000	7,437	6,951	450	7,401	8,028	172	8,200
RIVERS AND HARBORS AND FLOOD CONTROL, ARMY												
Current authorizations:												
General investigations	401	10,780	10,189	----------	9,000	9,502	10,800	----------	10,800	9,400	----------	9,400
Construction, general	401	449,824	603,247	----------	660,000	513,267	515,000	----------	515,000	614,000	----------	614,000
Operation and maintenance, general	401	103,850	113,440	----------	113,500	104,468	112,000	----------	112,000	110,000	----------	110,000
General expenses	401	11,752	11,720	1,096	12,640	11,550	11,800	1,000	12,800	12,504	96	12,600
Flood control, Mississippi River and tributaries	401	60,715	68,348	----------	68,000	56,634	67,000	----------	67,000	67,000	----------	67,000
United States section, Saint Lawrence River Joint Board of Engineers	401	88	100	----------	40	84	51	----------	51	44	----------	44
Niagara remedial works	401	----------	----------	----------	----------	130	150	----------	150	8	----------	8
Claims, Lake of the Woods flood damage, Army (indefinite)	401	----------	244	----------	----------	----------	244	----------	244	----------	----------	----------
Permanent authorizations:												
Payments to States, Flood Control Act of 1954, Army (indefinite special fund)	401	1,472	1,500	----------	1,500	1,531	1,403	----------	1,403	1,500	----------	1,500
Rivers and harbors and flood control, Army, special expense funds:												
Hydraulic mining in California, debris fund (indefinite special fund)	401	18	18	----------	18	17	17	----------	17	18	----------	18
Maintenance and operation of dams and other improvements of navigable waters (indefinite special fund)	401	152	150	----------	150	152	152	----------	152	150	----------	150
Intragovernmental funds:												
Revolving fund, Corps of Engineers, Army	401	----------	----------	----------	----------	1,936	5,783	----------	5,783	600	----------	600
Total, rivers and harbors and flood control, Army	------	638,651	808,956	1,096	864,848	699,271	724,400	1,000	725,400	815,224	96	815,320
UNITED STATES SOLDIERS' HOME												
Current authorizations:												
Limitation on operation and maintenance and capital outlay (trust fund)	------	(4,817)	(5,532)	(197)	(10,948)							
RYUKYU ISLANDS, ARMY												
Current authorizations:												
Administration	152	2,523	2,830	32	6,282	2,640	2,828	32	2,860	6,000	----------	6,000
Construction of power systems	152	1,513	----------	----------	----------	53	600	----------	600	400	----------	400
Construction of water system	152	----------	600	----------	----------	----------	60	----------	60	400	----------	400
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Construction of power systems	152	----------	----------	10,000	----------	----------	----------	200	200	----------	2,600	2,600
Total, Ryukyu Islands, Army	------	4,036	3,430	10,032	6,282	2,693	3,488	232	3,720	6,800	2,600	9,400
THE PANAMA CANAL												
Current authorizations:												
Canal Zone Government:												
Operating expenses	609	16,468	17,000	1,033	18,934	15,915	16,887	969	17,856	18,596	64	18,660
Capital outlay	609	1,000	3,100	----------	3,096	836	3,426	----------	3,426	3,250	----------	3,250
Panama Canal Company: Panama Canal Bridge	511	750	19,250	----------	----------	159	1,600	----------	1,600	4,020	----------	4,020

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
THE PANAMA CANAL—Continued												
Public enterprise funds:												
Panama Canal Company:												
Panama Canal Company fund	511					−$1,224	$10,996		$10,996	$1,269		$1,269
Limitation on general and administrative expenses	511	($7,945)	($7,900)	($322)	($8,486)							
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Canal Zone Government: Operating expenses	609			149				$140	140		$9	9
Panama Canal Company: Limitation on general and administrative expenses	511			(135)								
Total, The Panama Canal		18,218	39,350	1,182	22,030	15,686	32,909	1,109	34,018	27,135	73	27,208
MISCELLANEOUS ACCOUNTS												
Current authorizations:												
Civilian relief in Korea, Army	152					10						
Permanent authorizations:												
Payment to claimants, disaster at Texas City, Texas, Army (indefinite)	610					162	100		100	50		50
Wildlife conservation, etc., Eglin Field Reservation, Air Force (indefinite special fund)	404	23	26		26	21	26		26	26		26
Public enterprise funds:												
Defense production guaranties, Army	518					−354	−453		−453	−150		−150
Defense production guaranties, Navy	518					7,102	−1,829		−1,829	−156		−156
Defense production guaranties, Air Force	518					1,459	941		941	−6,623		−6,623
Total, miscellaneous accounts		23	26		26	8,400	−1,215		−1,215	−6,853		−6,853
Total new obligational authority and budget expenditures		667,806	858,677	12,932	902,186	733,488	766,533	2,791	769,324	850,334	2,941	853,275

RECAPITULATION						
Enacted or recommended in this document:						
Current authorizations:						
Appropriations	$666,141	$856,983	$900,492	$733,488	$766,533	$850,334
Permanent authorizations:						
Appropriations	1,665	1,694	1,694			
Proposed for later transmission:						
Pay increase supplemental appropriations		2,296			2,131	165
Other: Appropriations		10,636			660	2,776
Total new obligational authority and budget expenditures	667,806	871,609	902,186	733,488	769,324	853,275

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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
THE PANAMA CANAL										
Panama Canal Company fund	511	$85,473	$97,900	$91,128	$86,698	$86,904	$89,859	−$1,224	$10,996	$1,269
MISCELLANEOUS ACCOUNTS										
Defense production guaranties, Army	518	423	170	110	778	623	260	−354	−453	−150
Defense production guaranties, Navy	518	18,428	7,060	5,055	11,325	8,889	5,211	7,102	−1,829	−156
Defense production guaranties, Air Force	518	5,495	11,889	125	4,036	10,948	6,748	1,459	941	−6,623
Total, public enterprise funds		109,819	117,019	96,418	102,837	107,364	102,078	6,983	9,655	−5,660

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
CEMETERIAL EXPENSES, ARMY											
Current authorizations:											
Salaries and expenses		$1,248		$699		$669	$9,000	$7,364	$669		$1,636
Entombment of unknown Americans of World War II and Korea		159		1							
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Salaries and expenses						167			167		
Total, cemeterial expenses, Army		1,407		700		836	9,000	7,364	836		1,636
RIVERS AND HARBORS AND FLOOD CONTROL, ARMY											
Current authorizations:											
General investigations	$1,200	2,108	$2,107	3,386	$1,336	2,775	9,000	7,400	2,000		2,375
Construction, general	92,020	209,282	61,934	145,839	45,313	234,086	660,000	434,000	180,000		280,086
Operation and maintenance, general	2,955	17,678	3,499	17,060	1,000	18,500	113,500	94,000	16,000		22,000
General expenses		704		905		917	12,640	11,684	916		957
Flood control, Mississippi River and tributaries	5,445	13,866	10	18,483	1,000	19,294	68,000	50,000	17,000		20,294
United States Section, Saint Lawrence River Joint Board of Engineers		6		7		6	40	38	6		2
Niagara remedial works	241	288	158	158		8			8		
Permanent authorizations:											
Payments to States, Flood Control Act of 1954, Army (indefinite special fund)	1,461	1,461	1,403	1,403	1,500	1,500	1,500		1,500	$1,500	1,500
Rivers and harbors and flood control, Army, special expense funds:											
Hydraulic mining in California debris fund (indefinite special fund)	14	17	18	18		19	18		18		19
Maintenance and operation of dams and other improvements of navigable waters (indefinite special fund)	152	152	152	152	150	150	150		150	150	150
Intragovernmental funds:											
Revolving fund, Corps of Engineers, Army	10,726	29,620	1,709	27,683	1,413	21,900			600	3,512	21,300
Total, rivers and harbors and flood control, Army	114,214	275,182	70,990	215,094	51,712	299,155	864,848	597,122	218,198	5,162	348,683
RYUKYU ISLANDS, ARMY											
Current authorizations:											
Administration		219		259		261	6,282	5,855	145		543
Construction of power systems			266	1,460		860			400		460
Construction of water system					150	540			400		140
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Construction of power systems					9,800	9,800			2,600	2,400	7,200
Total, Ryukyu Islands, Army		219	266	1,719	9,950	11,461	6,282	5,855	3,545	2,400	8,343
THE PANAMA CANAL											
Current authorizations:											
Canal Zone Government:											
Operating expenses		2,110		2,607		2,784	18,934	15,876	2,784		3,058
Capital outlay	1,599	1,901	1,156	2,065	678	1,739	3,096	2,189	1,061	405	1,585
Panama Canal Company: Panama Canal Bridge			133	591	13,555	18,240			4,020	1,555	14,220
Public enterprise funds:											
Panama Canal Company: Panama Canal Company fund	22,868	39,531	20,657	40,755	9,335	29,760			1,269	5,366	28,491
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Canal Zone Government: Operating expenses						9			9		
Total, The Panama Canal	24,467	43,542	21,946	46,018	23,568	52,532	22,030	18,065	9,143	7,326	47,354

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
MISCELLANEOUS ACCOUNTS											
Current authorizations:											
Civilian relief in Korea, Army	----------	$30	----------	$27	----------	$27	----------	----------	----------	----------	$27
Permanent authorizations:											
Payment to claimants, disaster at Texas City, Texas, Army (indefinite)	$11,789	11,789	$11,626	11,626	$11,526	11,526	----------	----------	$50	$11,476	11,476
Wildlife conservation, etc., Eglin Field Reservation, Air Force (indefinite special fund)	16	17	18	19	18	19	$26	$25	1	12	19
Public enterprise funds:											
Defense production guaranties, Army	1,918	1,918	2,275	2,272	2,725	2,725	----------	----------	−150	2,875	2,875
Defense production guaranties, Navy	5,594	7,969	867	867	2,696	2,696	----------	----------	−156	2,852	2,852
Defense production guaranties, Air Force	9,257	9,257	8,158	7,798	6,857	6,857	----------	----------	−6,623	13,480	13,480
Total, miscellaneous accounts	28,574	30,980	22,944	22,609	23,822	23,850	26	25	−6,878	30,695	30,729
Total, Department of Defense—Civil Functions	167,255	351,330	116,146	286,140	109,052	387,834	902,186	628,431	224,844	45,583	436,745
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$156,529	$321,710	$114,437	$258,460	$97,839	$355,958				$39,671	$408,245
Balances of anticipated pay increase supplementals not identified above	----------	----------	----------	----------	----------	−165	$902,186	$628,431	$221,903	----------	----------
Subtotal	156,529	321,710	114,437	258,460	97,839	355,793				39,671	408,245
Revolving and management funds	10,726	29,620	1,709	27,680	1,413	21,900				3,512	21,300
Proposed for later transmission:											
Appropriations	----------	----------	----------	----------	9,800	9,976				2,400	7,200
Balances of anticipated pay increase supplementals not identified above	----------	----------	----------	----------	----------	165	----------	----------	2,941	----------	----------
Subtotal	----------	----------	----------	----------	9,800	10,141				2,400	7,200
Total, Department of Defense—Civil Functions	167,255	351,330	116,146	286,140	109,052	387,834	902,186	628,431	224,844	45,583	436,745

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$321,710	$258,460	$355,793
Revolving and management funds	29,620	27,680	21,900
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	----------	165
Other: Appropriations	----------	----------	9,976
Total balances brought forward	351,330	286,140	387,834
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	666,141	856,983	900,492
Permanent authorizations: Appropriations	1,665	1,694	1,694
Total new obligational authority enacted or recommended	667,806	858,677	902,186
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	2,296	----------
Other: Appropriations	----------	10,636	----------
Total new obligational authority proposed for later transmission	----------	12,932	----------
Total new obligational authority	667,806	871,609	902,186
Other amounts available:			
Appropriations available in prior year	----------	−540	----------
Appropriations available from subsequent year	540	----------	----------
Adjustment of balances upward in expired accounts, net	7	----------	----------
Total other amounts available	547	−540	----------
Total budget authorizations available	1,019,683	1,157,209	1,290,020
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	733,488	766,533	628,431
Out of balances of prior obligational authority			221,903
Total expenditures from obligational authority enacted or recommended	733,488	766,533	850,334
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations	----------	2,131	165
Other:			
Out of new obligational authority	----------	660	----------
Out of balances of prior obligational authority			2,776
Total expenditures from obligational authority proposed for later transmission	----------	2,791	2,941
Total budget expenditures	733,488	769,324	853,275
Amounts no longer available: Unobligated balances expiring and lapsing	56	50	----------
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	258,460	355,793	408,245
Revolving and management funds	27,680	21,900	21,300
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	165	----------
Other: Appropriations	----------	9,976	7,200
Total balances carried forward at close of year	286,140	387,834	436,745
Obligations incurred, net	$719,399	$878,113	$965,655

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CEMETERIAL EXPENSES, *ARMY*

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 (*one of which shall be 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, and graves used by the Army in commercial cemeteries; [$6,915,000] *$9,000,000*: *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, 279, 279a, 279b, 282, 288, 290; Public Works Appropriation Act, 1959.*)

Appropriated 1959, **$6,915,000** Estimate 1960, **$9,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Procurement of headstones	$2,435,071	$2,540,000	$2,960,000
2. Construction and acquisition of land	430,757	237,000	926,000
3. Maintenance and operation	3,398,075	3,646,000	4,466,000
4. Administration	582,390	627,000	648,000
Total obligations	6,846,293	7,050,000	9,000,000
Financing:			
Unobligated balance no longer available	31,707		
New obligational authority	6,878,000	7,050,000	9,000,000
New obligational authority:			
Appropriation	$6,878,000	$6,915,000	$9,000,000
Proposed supplemental due to pay increases		135,000	

1. *Procurement of headstones.*—The procurement of headstones for the past, current, and budget years is shown in the table below. The 1960 program estimates an increase in the number of purchases based on the continuation of a normal increase in applications and the passage of Public Law 85–644, approved August 14, 1958, which authorizes the furnishing of headstones for members of the Armed Forces whose remains were buried at sea or not otherwise recoverable.

HEADSTONE PROCUREMENT REQUIREMENTS

	1958 actual	*1959 estimate*	*1960 estimate*
Applications from previous year	7,520	10,555	12,094
New applications:			
For graves	107,767	113,000	121,600
For memorial markers	-------	5,000	5,000
Total applications	115,287	128,555	138,694
Less applications carried forward	10,555	12,094	12,500
Total procurement	104,732	116,461	126,194

The 1959 estimate includes 8,000 headstones to be provided for in a supplemental request under Proposed for later transmission.

2. *Construction and acquisition of land.*—This item provides for the development of additional gravesites at 4 national cemeteries—Long Island, Arlington, Golden Gate, and Willamette—and the replacement of maintenance service facilities at 4 others, including engineering investigations and preparation of plans for future construction.

3. *Maintenance and operation.*—The national cemetery system consists of 118 installations including 85 national cemeteries, 21 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 1,990 developed acres in the national cemetery system to be maintained in 1960. It is estimated that 32,500 burials will be made in 1959 and 36,400 in 1960 compared to 29,022 burials in 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	790	766	863
Average number of all employees	709	690	780
Number of employees at end of year	729	761	863
Average GS grade and salary	5.7 $4,669	5.7 $5,177	5.6 $5,157
Average salary of ungraded positions	$4,278	$4,507	$4,410
01 Personal services:			
Permanent positions	$3,104,332	$3,180,831	$3,649,575
Other personal services	68,203	74,454	92,115
Total personal services	3,172,535	3,255,285	3,741,690
02 Travel	30,453	33,085	35,080
03 Transportation of things	338,926	348,638	410,296
04 Communication services	44,094	44,960	49,100
05 Rents and utility services	65,070	73,500	80,095
06 Printing and reproduction	1,135		
07 Other contractual services	308,548	374,372	567,285
08 Supplies and materials	241,749	203,240	261,515
09 Equipment	2,199,553	2,360,082	2,825,824
10 Lands and structures	292,027	193,854	839,020
11 Grants, subsidies, and contributions	176,870	194,799	220,380
13 Refunds, awards, and indemnities	4,676		
15 Taxes and assessments	5,944	6,005	7,535
Subtotal	6,881,580	7,087,820	9,037,820
Deduct quarters charges	35,287	37,820	37,820
Total obligations	6,846,293	7,050,000	9,000,000

ENTOMBMENT OF UNKNOWN AMERICANS OF WORLD WAR II AND KOREA, ARMY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of tomb (total obligations)	$158,976		
Financing:			
Unobligated balance brought forward	−159,000		
Unobligated balance no longer available	24		
Appropriation (new obligational authority)			

Object Classification

Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$8,049		
02 Travel	22		
07 Other contractual services	11,779		
08 Supplies and materials	26		
10 Land and structures	139,100		
Total obligations	158,976		

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Procurement of headstones		$187,000	
2. Maintenance and operation		300,000	
Total obligations		487,000	
Financing:			
Proposed supplemental appropriation		487,000	

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CEMETERIAL EXPENSES, *ARMY*—Continued

Proposed for later transmission—Continued

SALARIES AND EXPENSES—Continued

Under existing legislation, 1959.—A supplemental estimate is anticipated for 1959 to provide for additional headstone procurement resulting mainly from new legislation and for wage-board rate increases granted subsequent to the 1959 budget.

RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*

The Corps of Engineers, Army, improves and maintains rivers and harbors throughout the continental United States, Puerto Rico, the Virgin Islands, and the Hawaiian Islands in the interest of navigation, control of floods, related hydroelectric power development, and allied water uses.

The total appropriation requested amounts to $864.8 million, representing an increase of $55.9 million compared with the amount appropriated for 1959 and an increase of $226.2 million compared with the appropriation for 1958. The increased funds are made necessary by the large number of new projects initiated during the past several years. No funds are requested to start work on new projects in 1960. Approximately 82% of the requested appropriations will be applied to construction and 15% to operation and maintenance activities.

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, [$10,188,500: *Provided*, That, no part of the funds herein appropriated shall be used for the survey of Carter Lake, Iowa, until it is authorized] *$9,000,000. (33 U. S. C. 426–426c, 540, 541, 701; Public Works Appropriation Act, 1959.)*

Appropriated 1959, **$10,188,500** Estimate 1960, **$9,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Examination and surveys:			
(*a*) Navigation studies	$1,024,463	$1,090,000	$940,000
(*b*) Flood control studies	2,392,710	2,880,000	2,920,000
(*c*) Beach erosion cooperative studies	54,585	150,000	96,500
(*d*) Special studies:			
(1) San Francisco Bay area survey	684,481	750,000	450,000
(2) Ohio River basin review	162,628	375,000	400,000
(3) Great Lakes harbor survey	264,008	270,000	270,000
(4) Columbia River review	228,387	23,607	
(5) Delaware River review	475,161	500,000	400,000
(6) Coordination studies with other agencies	87,178	100,000	156,463
(7) Hurricane studies	927,905	1,300,000	1,000,000
(8) Hudson River siltation study	121,268	141,299	
(9) Potomac River review	165,767	230,000	490,000
(10) Colorado River, Tex., review		30,000	75,000
(11) Trinity River, Tex		70,000	200,000
(12) Great Lakes water levels	202,695	10,100	
(13) New England-New York survey	407		
(14) Arkansas-White and Red River basin surveys	6		

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
2. Collection and study of basic data:			
(*a*) Stream gaging	$200,275	$201,000	$225,725
(*b*) Precipitation studies	290,800	353,000	330,200
(*c*) Fish and wildlife studies	47,299	53,288	
(*d*) International waters studies	23,246	40,000	50,000
3. Research and development:			
(*a*) Beach erosion development studies	188,836	170,000	200,000
(*b*) Hydrologic studies	108,412	129,000	150,000
(*c*) Civil works investigations	1,271,680	1,275,000	1,195,000
(*d*) Mississippi basin model:			
(1) Construction	745,306	600,000	700,000
(2) Mississippi River comprehensive study		60,000	100,000
4. Tennessee-Tombigbee waterway restudy	122,830	8,523	
5. Alaska pierhead line survey		120,000	20,000
Total program costs	9,790,333	10,929,817	10,368,888
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−32,672
Obligations incurred for costs of other years, net	82,503	29,198	
Total program (obligations)	9,872,836	10,959,015	10,336,216
Financing:			
Unobligated balance brought forward	−1,199,967	−2,106,731	−1,336,216
Unobligated balance carried forward	2,106,731	1,336,216	
Appropriation (new obligational authority)	10,779,600	10,188,500	9,000,000

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	*1958 actual*	*1959 estimate*	*1960 estimate*
River and harbor and flood control investigations:			
Completed	78	89	57
Continued	127	94	61
Initiated	35	50	0
Cooperative beach erosion control investigations:			
Completed	7	4	1
Continued	0	0	1
Initiated	2	6	5
Special studies:			
Completed	0	2	2
Continued	9	8	7
Initiated	1	2	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 in the amount of $330,000 will be made available to the Weather Bureau for hydrometeorological studies and precipitation stations and $225,000 to the Geological Survey for installation, operation, and maintenance of stream gaging stations. 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.

No funds are requested for the Corps of Engineers for 1960 to finance fish and wildlife studies in connection with Corps of Engineers projects. It is anticipated that the Fish and Wildlife Service will finance these studies in 1960.

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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 investigations of such phenomena as storms, rainfall, streamflow, and sedimentation to provide basic data used in the design, construction, and operation of water control structures.

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. This item also provides 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 continue the initial phase of a Mississippi River comprehensive study on the completed portion of the Mississippi Basin model. The primary objectives of this initial basin-wide testing program are to improve the operation of the reservoir system in the Mississippi River Basin, to assure 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 prior year funds.

5. *Alaska pierhead line survey.*—Funds in the amount of $140,000 are available for this activity in 1959.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$468,962	$558,238	$587,436	$554,764
Advances (payments for goods and services not yet received)	6,773	.....	.....	.....
Total selected resources at end of year	475,735	558,238	587,436	554,764
Selected resources at start of year (−)	.....	−475,735	−558,238	−587,436
Costs financed from obligations of other years, net (−)	.....	.....	.....	−32,672
Obligations incurred for costs of other years, net	.....	82,503	29,198	.....

Object Classification

	1958 actual	1959 estimate	1960 estimate
CORPS OF ENGINEERS, ARMY			
Total number of permanent positions	154	160	160
Full-time equivalent of all other positions	3	3	3
Average number of all employees	146	157	157
Number of employees at end of year	152	155	155
Average GS grade and salary	7.4 $5,552	7.3 $6,129	7.3 $6,155
Average salary of ungraded positions	$5,026	$5,166	$5,202
01 Personal services:			
Permanent positions	$872,100	$977,730	$986,455
Positions other than permanent	12,643	13,970	13,970
Other personal services	13,735	16,300	19,575
Pay and allowances to commissioned officers	7,954	10,000	10,000
Total personal services	906,432	1,018,000	1,030,000
02 Travel	135,064	150,000	150,000
03 Transportation of things	8,039	14,000	14,000
04 Communication services	1,594	2,000	2,000
05 Rents and utility services	25,742	30,000	30,000
06 Printing and reproduction	16,423	20,000	20,000
07 Other contractual services	1,414,753	1,600,000	1,600,000
Services performed by—			
Other agencies	604,238	500,000	500,000
"Revolving fund, Corps of Engineers, Army"	6,356,247	7,244,126	6,680,116
08 Supplies and materials	$209,643	$225,000	$200,000
09 Equipment	72,042	35,000	35,000
10 Lands and structures	15,010	15,000	15,000
11 Grants, subsidies, and contributions	53,780	57,000	58,000
13 Refunds, awards, and indemnities	411	400	400
15 Taxes and assessments	2,552	1,600	1,700
Total, Corps of Engineers, Army	9,821,970	10,912,126	10,336,216
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE, DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	6	7	.....
Average number of all employees	7	6	.....
Number of employees at end of year	5	7	.....
Average GS grade and salary	8.7 $5,332	7.9 $5,462	.....
01 Personal services:			
Permanent positions	$42,578	$33,869	.....
Positions other than permanent	97	100	.....
Other personal services	164	131	.....
Total personal services	42,839	34,100	.....
02 Travel	2,807	7,215	.....
03 Transportation of things	287	300	.....
04 Communication services	162	200	.....
05 Rents and utility services	10	10	.....
06 Printing and reproduction	166	200	.....
07 Other contractual services	1,370	1,500	.....
08 Supplies and materials	814	1,000	.....
09 Equipment	144	150	.....
11 Grants, subsidies, and contributions	2,263	2,210	.....
15 Taxes and assessments	4	4	.....
Total, Department of the Interior	50,866	46,889	.....
Total obligations	9,872,836	10,959,015	$10,336,216

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] *$1,200,000* for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, [$603,246,500, of which $273,000 shall be available for the acquisition of telephone facilities, and for the readjustment of service in the vicinity of Tuttle Creek Reservoir in Kansas: *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] *$660,000,000*: *Provided* [*further*], That no part of this appropriation shall be used for projects not authorized by law or 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 there shall be credited against the local contribution requirement on the Canton, Missouri, project a sum equal to the total cost of the improvements contributing to the project which have already been constructed by the city of Canton]: *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. (*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, 1959.*)

Appropriated 1959, **$603,246,500** Estimate 1960, **$660,000,000**

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Advance engineering and design	$7,415,327	$10,265,900	$9,500,051
2. Navigation projects:			
(a) Channels and harbors:			
(1) Dry Pass, Alaska	67,892	913,200	612,008
(2) Gastineau Channel, Alaska		1,050,000	50,000
(3) Ketchikan Harbor, Alaska	966,100	584,212	
(4) Kodiak Harbor, Alaska	1,119,152	60,887	
(5) Arkansas River and tributaries (bank stabilization and channel rectification), Arkansas and Oklahoma	1,590,778	2,508,672	200,000
(6) Half Moon Bay (Pillar Point), Calif		1,130,000	1,500,000
(7) Playa del Ray Inlet and Harbor, Calif	446,279	800,245	1,000,000
(8) Port Hueneme Harbor, Calif		790,000	3,000,000
(9) Sacramento River, Calif	2,233,017	5,348,913	7,800,000
(10) San Diego River and Mission Bay, Calif	973,916	1,493,016	
(11) San Francisco Harbor, Calif.: Removal of Raccoon Shoal		20,000	
Bar Channel		285,000	
(12) San Joaquin River (Stockton Channel), Calif	409,579	677,489	500,000
(13) Inland waterway, Delaware River to Chesapeake Bay, Del. and Md. (Summit Bridge)	1,179,580	2,701,459	3,190,000
(14) Horseshoe Cove, Fla	209,952	26,048	
(15) Intracoastal Waterway, Jacksonville to Miami, Fla. (Eau Gallie to Fort Pierce)	1,132,370	1,056,930	1,130,000
(16) St. Joseph Bay, Fla		539,000	1,183,000
(17) Tampa Harbor, Fla	2,068,780	2,718,704	3,772,000
(18) Brunswick Harbor, Ga		158,000	1,150,000
(19) Savannah Harbor, Ga	308,835	65,668	
(20) Savannah River below Augusta, Ga	37,096	1,194,704	950,000
(21) Honolulu Harbor, Hawaii		940,000	1,720,006
(22) Kawaihae Harbor, Hawaii	2,607,236	2,103,930	
(23) Mississippi River between Ohio and Missouri Rivers (regulating works)	502,889	939,115	1,500,000
(24) Mississippi River between St. Louis, Mo. and lock and dam 26, Ill. and Mo		340,000	2,358,000
(25) Missouri River:			
Sioux City, Iowa, to Omaha, Nebr	5,741,996	5,133,369	5,700,000
Omaha, Nebr., to Kansas City, Mo	3,310,752	3,033,812	2,800,000
Kansas City, Mo., to mouth	4,690,929	3,753,996	3,475,000
(26) Gulf Intracoastal Waterway between Apalachee Bay, Fla., and Mexican border (New Orleans district):			
Algiers lock and canal, Louisiana	272,930	404,503	
Plaquemine-Morgan City alternate route, Louisiana	4,567,844	6,003,750	900,000
(27) Mississippi River, Baton Rouge to the Gulf of Mexico, La		141,000	6,051,000
(28) Mississippi River-Gulf outlet, La	1,092,257	3,517,743	6,000,000
(29) Water hyacinth obstructions in the waters of the Gulf and South Atlantic States		282,000	500,000
(30) Portland Harbor, Maine	91,805	18,311	
(31) Boston Harbor (extension to 40-foot channel), Mass	1,476,778	2,004,603	883,000
(32) Salem Harbor, Mass		1,320,000	
(33) Weymouth Fore River, Mass	486,116	1,359,079	3,085,000
(34) Big Bay Harbor, Mich		42,000	300,000
(35) Black River Harbor, Mich	198,615	10,100	
(36) Great Lakes connecting channels, Michigan	17,551,174	23,966,461	23,000,000
(37) Harrisville Harbor, Mich	279,164	657,396	532,000
(38) Manistique Harbor, Mich	17,724	40,276	400,000
(39) Port Austin Harbor, Mich	330,182	420,247	
(40) Saginaw River, Mich	31,722	824,278	200,000
(41) St. Marys River, Mich	292,007	1,784,690	2,643,000
(42) Whitefish Point Harbor, Mich	169,839	411,395	
(43) Delaware River, Philadelphia to Trenton, Pa., N. J., and Del	10,348,618	11,925,289	13,800,000
(44) New York and New Jersey channels	5,096,103	4,996,287	2,990,000
(45) Barcelona Harbor, N. Y	195,883	204,615	506,000
(46) Buffalo Harbor, N. Y	59,115	1,788,192	2,250,000
(47) Irondequoit Bay, N. Y		87,600	154,400
(48) Oswego Harbor, N. Y	503,976	975,730	657,000
(49) Manteo, N. C	151,094	723,130	
(50) Rollinson Channel breakwater, North Carolina	9,747	2,253	

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
2. Navigation projects—Continued			
(a) Channels and harbors—Con.			
(51) Ashtabula Harbor, Ohio	$1,069,639	$1,361,846	
(52) Cleveland Harbor, Ohio	664,738	240,252	$400,000
(53) Columbia River between Vancouver, Wash., and The Dalles, Oreg	33,136	900,000	2,042,900
(54) Columbia River at mouth, Oregon and Washington	484,806	229,500	312,042
(55) Rogue River at Gold Beach, Oreg		705,000	1,500,000
(56) Bullocks Point Cove, R. I	38,156	122,687	
(57) Port Royal Sound to Beaufort, S. C	830,821	519,615	
(58) Brazos Island Harbor, Tex	1,061,748	1,323,566	1,500,000
(59) Galveston seawall, Texas	109,734	1,460,266	1,200,000
(60) Gulf Intracoastal Waterway: Guadalupe River, channel to Victoria, Tex	163,591	962,409	600,000
Realinement route vicinity of Aransas Pass, Tex	117,391	1,742,609	962,000
(61) Houston ship channel, Texas	466,585	1,018,550	1,150,000
(62) Pass Cavallo-Port Lavaca, Tex		377,000	
(63) Port Aransas-Corpus Christi Waterway, Tex. (36-foot channel	855,328	1,233,967	1,300,000
(64) Sabine-Neches Waterway, Tex	499,820	1,211,572	1,500,000
(65) Texas City Channel, Tex. (36-foot channel)		470,000	913,000
(66) Norfolk Harbor, Va. (widening 40-foot channel)	1,458,656	1,208,744	3,728,000
(67) Waterway, coast of Virginia, Chesapeake Bay to Chincoteague Bay	403,465	85,395	
(68) Grays Harbor and Chehalis River, Wash. (Point Chehalis)	1,329	126,174	
(69) Port Angeles Harbor, Wash	338,053	97,947	
(70) Shilshole Bay, Wash	1,685,582	53,739	
(71) Willapa River and Harbor and Naselle River, Wash	345,459	288,800	
(72) Bayfield Harbor, Wis		15,000	231,000
(73) Minor completion items	9,615,693	748,531	
Total, channels and harbors	93,063,551	120,780,466	125,780,350
(b) Locks and dams:			
(1) Jackson lock and dam, Ala	1,310,876	5,455,842	8,350,000
(2) Columbia lock and dam, Ala. and Ga		555,500	1,000,000
(3) Illinois Waterway, Ill (Calumet-Sag modification, Lake Calumet to Sag Junction)	7,140,526	7,642,943	9,100,000
(4) Mississippi River between the Missouri River and Minneapolis, Minn.:			
St. Anthony Falls, Minn	1,909,315	1,206,115	2,440,000
Lock No. 19, Keokuk, Iowa	189,029	57,593	
Rectification of damages	64,400	66,329	65,000
(5) Markland lock and dam, Indiana, Kentucky, and Ohio	10,943,026	8,830,979	13,127,000
(6) Ohio River locks and dams:			
New Cumberland locks and dams, Ohio and West Virginia	6,824,862	9,236,418	7,000,000
Greenup locks and dams, Kentucky and Ohio	8,228,156	11,451,635	11,465,000
Lock and dam 41, Kentucky and Indiana	1,967,719	6,071,300	10,500,368
(7) New Richmond locks and dam, Kentucky and Ohio	770,115	3,664,885	9,400,000
(8) Great Lakes-Hudson River Waterway, N. Y	115,888	874,316	830,000
(9) Pike Island lock and dam, Ohio and West Virginia		940,000	3,500,000
(10) Dam 8, Monongahela River, Pa	750,859	1,894,141	725,000
(11) Hildebrand lock and dam, West Virginia	4,595,112	2,476,265	1,378,000
(12) Minor completion items	3,072,319	112,739	
Total, locks and dams	47,882,202	60,537,000	78,880,368
3. Alteration of bridges over navigable waters:			
(1) Removal of West Basin Bridge, Los Angeles, Calif	1,177	3,823	
(2) Chicago, Burlington, and Quincy R. R. Bridge, Ill		470,000	2,064,000
(3) Wabash Railroad bridges at Meredosia and Valley City, Ill	727,185	1,424,538	528,000
(4) Houghton-Hancock Bridge, Mich	316,966	1,438,315	2,640,000
(5) Staten Island Rapid Transit Bridge, N. Y. and N. J	1,012,888	2,273,652	2,100,000
(6) Interstate Bridge, Oreg. and Wash		47,000	1,130,000
(7) Corpus Christi Bridge, Tex	37,557	1,909,673	486,000
(8) Norfolk and Portsmouth Belt Line R. R. Bridge, Norfolk Harbor, Va	286,948	257,574	
Total, alteration of bridges	2,382,721	7,824,575	8,948,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
4. Beach erosion control projects:			
(1) Sherwood Island State Park, Conn	$30,768	$2,600	
(2) Winthrop Beach, Mass	985	54,656	
(3) Hampton Beach, N. H		227	
(4) Atlantic City, N. J	1,934	152,128	
(5) Fire Island Inlet, N. Y		827,000	$450,000
(6) Sand Hill Cove Beach, R. I	510	149	
Total, beach erosion control	34,197	1,036,760	450,000
5. Flood control projects:			
(a) Local protection:			
(I) Projects specifically authorized by Congress:			
(1) Calion, Ark	396,180	379,404	
(2) McKinney Bayou and Barkman Creek, Ark. and Tex		282,000	600,000
(3) Walnut Bayou, Ark	3,778	267,400	24,800
(4) American River levees, California	1,687,220	42,000	
(5) Devil, East Twin, Warm and Lytle Creeks, Calif	1,261,822	1,058,300	2,102,007
(6) Eel River, Calif		346,000	508,000
(7) Los Angeles County drainage area, California (exclusive of Whittier Narrows Reservoir)	14,595,665	16,749,700	19,500,128
(8) Lower San Joaquin River and tributaries, California	890,288	865,507	1,100,000
(9) Middle Creek, Calif	220,495	569,505	650,000
(10) Sacramento River flood control, California	2,635,513	3,052,324	3,000,000
(11) Sacramento River and major and minor tributaries, California	789,192	842,349	1,200,000
(12) San Antonio and Chino Creek, Calif	2,927,435	2,012,399	3,200,000
(13) San Lorenzo Creek, Calif	40,376	2,091,300	1,304,324
(14) San Lorenzo River, Calif	1,334,372	952,774	1,474,000
(15) Santa Clara River, Calif		432,000	1,300,000
(16) Santa Maria Valley levees, California		470,000	2,200,000
(17) Truckee River and tributaries, California, and Nevada		141,000	550,000
(18) Norwich, Conn	41,262	50,151	
(19) Anacostia River, D. C. and Md	329,028	108,961	
(20) Central and southern Florida	5,516,311	6,044,133	9,200,000
(21) Hanapepe River, Hawaii		407,000	
(22) Little Wood River, Idaho		58,000	
(23) Beardstown, Ill	78,685	630,000	850,129
(24) Clear Creek drainage and levee district, Illinois	283,361	250,540	200,000
(25) East St. Louis and vicinity, Illinois	1,462,963	1,320,841	2,380,000
(26) Sny Basin, Ill		470,000	1,000,000
(27) Wilson and Wenkel and Prairie du Pont drainage and levee district, Illinois	733,070	380,727	663,000
(28) Wood River drainage and levee district, Illinois	844,894	763,779	1,100,000
(29) Evansville, Ind	306	188,055	430,000
(30) Vincennes, Ind	59,266	546,182	200,000
(31) Little Sioux River, Iowa	2,136,804	2,416,866	2,700,000
(32) Missouri River, Kenslers' Bend, Nebr. to Sioux City, Iowa	1,421,503	1,038,066	850,000
(33) Muscatine, Iowa	256,185	681,421	
(34) Muscatine Island levee district and Muscatine Louisa County drainage district No. 13, Iowa		367,000	860,000
(35) Upper Iowa River, Iowa	374,618	183,581	
(36) Abilene, Kans	292,138	492,920	338,000
(37) Kansas Citys on the Missouri and Kansas Rivers, Kans. and Mo	197,314	498,000	42,957
(38) Manhattan, Kans		282,000	450,000
(39) Missouri River agricultural levees, Kansas, Missouri, Iowa, and Nebraska	1,245,395	1,539,100	2,647,810
(40) Ottawa, Kans	101,636	1,166,364	1,000,000
(41) Salina, Kans	280,874	1,100,752	1,460,000
(42) Topeka, Kans	637,078	2,537,800	3,199,972
(43) Wichita and Valley Center, Kans	1,804,768	293,775	
(44) Barbourville, Ky	468,019	165,837	
(45) Catlettsburg, Ky	1,476,026	817,119	50,000
(46) Louisville, Ky	21,330	68,633	
(47) Amite River and tributaries, Louisiana	1,101,633	943,360	1,204,000
(48) Red River levees and bank stabilization below Denison Dam, La., Tex., and Ark	690,722	444,436	400,000
(49) Cumberland, Md., and Ridgley, W. Va	2,284,774	1,748,296	
(50) Adams, Mass	1,161,479	82,044	
(51) North Adams, Mass	3,699,120	4,143,099	3,030,000
(52) Worcester, Mass	2,033,249	2,491,195	50,000
(53) Battle Creek, Mich	1,481,876	1,132,270	1,548,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
5. Flood control projects—Continued			
(a) Local protection—Continued			
(I) Projects specifically authorized by Congress—Continued			
(54) Lost River and Ruffy Brook, Minn		$120,000	$300,000
(55) Red River of the North, Minn., S. Dak., and N. Dak	$276,353	612,062	386,000
(56) Bear Creek, Mo		282,000	1,032,000
(57) Canton, Mo	18,605	217,537	720,000
(58) Cape Girardeau, Mo	1,398,687	1,011,579	557,000
(59) Fabius River drainage and levee district, Missouri		705,000	500,000
(60) Perry County drainage and levee districts Nos. 1, 2, and 3, Missouri	158,576	22,831	
(61) St. Louis, Mo		1,498,000	4,300,000
(62) Albuquerque, N. Mex	174,157	69,843	300,000
(63) Artesia, N. Mex	6,345		
(64) Endicott, Johnson City, and Vestal, N. Y	1,438,168	1,556,397	1,750,000
(65) Lower Heart River, N. Dak	5,082	614,918	800,000
(66) Mandan, N. Dak	154,198	14,629	
(67) Marmarth, N. Dak	1,430	205,300	10,270
(68) Roseville, Ohio	13,263	376,737	284,000
(69) Enid, Okla		235,000	600,000
(70) Amazon Creek, Oreg	486,793	54,887	
(71) Johnson Creek, Oreg	4,080	1,000	115,277
(72) Multnomah County drainage district No. 1, Oregon	30,731	874,200	772,069
(73) Pendleton, Oreg	6,346	393,654	
(74) Willamette River Basin (bank protection), Oreg	406,753	520,438	500,000
(75) Allentown, Pa	22,643	820,357	780,000
(76) Bethlehem, Pa		329,000	1,050,000
(77) Bradford, Pa	1,566,627	2,488,996	2,500,000
(78) Woonsocket, R. I	1,767,558	1,230,539	370,000
(79) Sioux Falls, S. Dak	905,045	1,988,726	1,352,009
(80) Lake City, Tenn	15,052	533,748	
(81) Memphis, Wolf River, and Nonconnah Creek, Tenn	392,831	298,888	
(82) Buffalo Bayou, Tex	1,388,300	3,790,195	1,850,000
(83) Dallas Floodway, Tex	342,133	105,965	
(84) Navidad and Lavaca Rivers at Halletsville, Tex		333,000	
(85) San Antonio Channel, Tex	660,510	1,108,183	950,000
(86) Salt Lake City, Utah	7,780	357,220	1,339,000
(87) Greybull, Wyo	174,887	76,100	
(88) Jackson Hole, Wyo	417,977	329,145	650,000
(89) Sheridan, Wyo	14,637	486,400	424,963
(90) Minor completion items	2,776,353	363,593	200,000
(II) Projects not specifically authorized by Congress	1,703,020	3,840,000	3,533,820
(III) Emergency bank protection	125,278	400,000	409,352
(IV) Snagging and clearing	376,898	800,000	1,013,592
Total, local protection	76,535,119	95,472,332	103,916,470
(b) Reservoirs:			
(1) Painted Rock Reservoir, Ariz	4,623,140	7,843,074	5,171,000
(2) Whitlow Ranch Reservoir, Ariz	64,420	1,642,580	1,953,000
(3) Black Butte Reservoir, Calif		470,000	2,500,000
(4) Carbon Canyon Reservoir, Calif	184,570	1,873,000	2,101,930
(5) Pine Flat Reservoir, Calif	119,672	46,983	75,000
(6) Russian River Reservoir, Calif	6,360,924	1,406,100	255,017
(7) Success Reservoir, Calif	1,103,734	3,762,477	4,000,000
(8) Terminus Reservoir, Calif	463,480	4,869,705	7,300,000
(9) Thomaston Reservoir, Conn	2,359,616	4,986,447	4,900,000
(10) Lucky Peak Reservoir, Idaho	536,182	221,828	
(11) Carlyle Reservoir, Ill	403,985	741,015	2,640,000
(12) Mansfield Reservoir, Ind	1,424,020	3,005,700	1,863,508
(13) Coralville Reservoir, Iowa	1,955,617	407,088	
(14) John Redmond Reservoir, Kans		376,000	1,300,000
(15) Pomona Reservoir, Kans		727,000	1,400,000
(16) Toronto Reservoir, Kans	4,672,539	2,346,700	122,064
(17) Tuttle Creek Reservoir, Kans	6,906,145	15,347,788	18,845,000
(18) Buckhorn Reservoir, Ky	1,400,791	4,336,600	3,627,242
(19) Nolin Reservoir, Ky		470,000	1,800,000
(20) Rough River Reservoir and Channel, Ky	1,692,026	3,553,300	2,665,245
(21) Barre Falls Reservoir, Mass	305,021	37,000	3,979
(22) Buffumville Reservoir, Mass	1,201,700	66,099	
(23) East Brimfield Reservoir, Mass	1,483,214	3,678,799	1,712,000
(24) Hodges Village Reservoir, Mass	1,980,333	2,651,779	50,000
(25) West Hill Reservoir, Mass		258,000	1,000,000
(26) Pomme de Terre Reservoir, Mo	1,692,651	3,277,400	3,726,185
(27) Hopkinton-Everett Reservoir, N. H	611,746	1,398,254	5,568,000
(28) Otter Brook Reservoir, N. H	2,031,823	328,192	
(29) Chamita (Abiquiu) Reservoir, N. Mex	2,462,244	1,210,505	3,300,000
(30) Dillon Reservoir, Ohio	2,938,629	7,769,981	5,760,000
(31) Muskingum River Reservoirs, Ohio	30,925	9,987	
(32) Keystone Reservoir, Okla	1,007,058	8,689,353	18,500,000
(33) Oologah Reservoir, Okla	2,380,963	12,782,497	13,400,000

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
5. Flood control projects—Continued			
(*b*) Reservoirs—Continued			
(34) Allegheny River Reservoir, Pa. and N. Y.	$561,036	$87,000	$1,291,964
(35) Bear Creek Reservoir, Pa.	1,883,263	1,636,659	3,400,000
(36) Conemaugh River Reservoir, Pa.	15,973	89,969	
(37) Dyberry Reservoir, Pa.	1,215,390	1,424,788	490,000
(38) Kettle Creek Reservoir, Pa.		693,000	2,500,000
(39) Prompton Reservoir, Pa.	1,027,301	1,053,910	1,120,000
(40) Stillwater Reservoir, Pa.	1,632,844	1,044,283	1,700,000
(41) Canyon Reservoir, Tex.	340,018	1,569,690	2,000,000
(42) Cooper Reservoir and channels, Tex.	440,230	761,770	1,300,000
(43) Lewisville Reservoir, Tex.	15,570	129,999	
(44) Navarro Mills Reservoir, Tex.		141,000	1,000,000
(45) Texarkana Reservoir, Tex.	238,292	449,263	
(46) Waco Reservoir, Tex.		940,000	4,000,000
(47) Ball Mountain Reservoir, Vt.	1,674,742	2,663,000	2,660,222
(48) East Barre Reservoir, Vt.	589,046	698,122	
(49) North Hartland Reservoir, Vt.	596,017	2,415,983	2,571,000
(50) North Springfield Reservoir, Vt.	1,103,351	1,899,900	2,040,000
(51) Townshend Reservoir, Vt.	1,434,379	1,936,062	2,500,000
(52) Eagle Gorge Reservoir, Wash.	9,491,584	5,640,000	6,000,000
(53) Sutton Reservoir, W. Va.	11,618,726	11,161,348	4,517,000
(54) Minor completion items	6,209,691	200,833	200,000
Total, reservoirs	92,484,621	137,227,810	154,829,356
6. Multiple-purpose projects, including power:			
(1) Walter F. George lock and dam, Alabama and Georgia	6,568,696	10,373,546	15,500,000
(2) Beaver Reservoir, Ark.		705,000	
(3) Bull Shoals Reservoir, Ark. and Mo.	17,989	362,011	1,400,000
(4) Dardanelle lock and dam, Arkansas	825,566	1,357,800	6,159,979
(5) Greers Ferry Reservoir, Ark.	973,474	4,272,493	11,330,000
(6) Buford Dam, Ga., part of Apalachicola, Chattahoochee, and Flint Rivers system, Alabama, Florida, and Georgia	1,255,182	2,561,961	
(7) Hartwell Reservoir, Ga. and S. C.	5,961,783	14,046,716	26,900,000
(8) Barkley Dam, Ky. and Tenn.	4,716,220	9,806,202	19,100,000
(9) Table Rock Reservoir, Mo. and Ark.	16,258,354	10,000,000	3,652,802
(10) Fort Peck Dam, Mont. (2d powerplant)	2,984,290	6,043,183	8,350,000
(11) Gavins Point Reservoir, Nebr. and S. Dak.	437,513	614,891	
(12) Garrison Reservoir, N. Dak.	9,289,934	9,853,710	5,150,000
(13) Eufaula Reservoir, Okla.	1,959,401	8,043,674	13,900,000
(14) Ft Gibson Reservoir, Okla.	2,752	404,010	
(15) Cougar Reservoir, Oreg.	4,164,114	5,697,280	9,700,000
(16) Hills Creek Reservoir, Oreg.	7,764,615	10,716,343	9,800,000
(17) JohnDay lock and dam, Oregon and Washington	749,314	7,270,686	20,300,000
(18) Lookout Point Reservoir, Oreg.	441,029	553,105	
(19) McNary lock and dam, Oregon and Washington	985,149	1,066,577	
(20) The Dalles lock and dam, Oregon and Washington	18,125,952	12,500,586	7,100,000
(21) Big Bend Reservoir, S. Dak.		$550,300	$2,600,000
(22) Fort Randall Reservoir, S Dak.	$414,330	802,170	1,150,000
(23) Oahe Reservoir, S. Dak.	30,833,021	33,539,853	43,500,000
(24) Cheatham lock and dam, Tennessee, part of Cumberland River system, Kentucky and Tennessee	1,608,011	830,709	
(25) Old Hickory lock and dam, Tennessee, part of Cumberland River system, Kentucky and Tennessee	870,010	995,677	
(26) Denison Reservoir (Lake Texoma), Tex. and Okla.: (Highway Bridge at Willis Site)	1,258	2,327,086	800,000
(27) McGee Bend Dam, Tex.	2,368,152	5,318,400	6,201,712
(28) Chief Joseph Dam, Wash.	4,646,558	1,856,760	1,600,000
(29) Ice Harbor lock and dam, Washington	25,700,784	19,148,800	33,549,987
(30) Minor completion items	1,933,265	1,014,058	500,000
Total, multiple-purpose projects	151,856,716	182,633,587	248,244,480
7. Recreation on completed projects	208,324	781,265	1,250,000
8. Small authorized projects	2,011,840	5,330,000	2,313,931
9. Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	1,952,294	1,894,153	1,200,000
10. Northeast flood emergency	166,389		
11. Flood emergency (disaster relief)	3,916,088		
12. Undistributed reduction based on anticipated delays and savings			−30,000,000
Total obligations	479,909,389	623,783,848	705,313,006
Financing:			
Unobligated balance brought forward	−92,020,155	−61,934,266	−45,313,006
Recovery of prior year obligations		−3,916,088	
Unobligated balance carried forward	61,934,266	45,313,006	
Appropriation (new obligational authority)	449,823,500	603,246,500	660,000,000

The appropriation requested for this program amounts to $660 million and represents an increase of $56.8 million compared with the amount appropriated for 1959 and an increase of $210.2 million compared with the appropriation for 1958. An analysis of the costs to this appropriation and the resources available to complete the projects in the various activities are set forth in the tabulations under the appropriate activity heading. Of the appropriations requested, about 69% will be applied to 38 major projects in amounts of $5 million or more.

The monetary authorization available for appropriation after 1960 for projects in this program amounts to $4,751.7 million. The status of the overall construction program, excluding projects classified as inactive or deferred for restudy but including projects completed in prior years, is summarized on the following table:

NUMBER AND ESTIMATED COST OF AUTHORIZED PROJECTS [1]

	Number of authorized projects				*Estimated cost in millions*				
Activity:	*Total*	*Completed* [2]	*Underway* [3]	*Balance authorized* [4]	*Total*	*To June 30, 1958*	*1959*	*1960*	*Balance to complete*
Navigation and beach erosion control [5]	2,450	2,064	209	177	$5,335.9	$2,177.2	$183.5	$197.4	$2,777.8
Flood control [6]	814	365	172	277	5,856.5	1,974.4	223.1	240.7	3,418.3
Multiple-purpose projects, including power	60	20	27	13	5,661.9	2,754.2	189.8	239.9	2,478.0
Total	3,324	2,449	408	467	16,854.3	6,905.8	596.4	[7] 678.0	8,674.1

[1] Excludes projects classified as inactive or deferred for restudy.
[2] Also includes projects essentially complete.
[3] Uncompleted projects in the active program for which construction funds have been appropriated. Includes 19 projects or project modifications that do not have funds presently available for expenditure.
[4] Includes projects not yet funded and parts of approved comprehensive basin plans for which funds are not yet available.
[5] Includes authorized modifications of original projects.
[6] Excludes snagging and clearing and emergency flood control projects.
[7] Program total: Actual appropriation request is $648 million.

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.

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2. *Navigation projects.*—This activity includes improvement of channels and harbors for navigation by dredging and by construction of breakwaters, jetties, and dikes; and construction of locks, dams, and canals.

With the funds requested, work will be continued on 45 channel and harbor projects, of which 12 will be completed, and on 14 lock, dam, and canal projects, of which 2 will be completed in 1960.

[In thousands]

NAVIGATION PROJECTS	Costs to this appropriation: Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Analysis of 1960 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete	Percent cost complete through 1960
(a) Channels and harbors:										
(6) Half Moon Bay (Pillar Point), Calif.	$5,210	[1] $109	[1] $8	$636	$1,500	$500	$500	$1,500	$2,457	43.3
(7) Playa del Ray Inlet and Harbor, Calif.	3,231	90	446	800	500	500	500	500	895	56.9
(8) Port Hueneme Harbor, Calif.	6,107	[1] 88	[1] 1	790	3,000	--------	--------	3,000	2,228	63.5
(9) Sacramento River, Calif.	45,600	4,950	1,350	6,531	7,500	300	300	7,500	24,969	44.6
(12) San Joaquin River (Stockton Channel), Calif.	10,990	747	250	864	500	--------	--------	500	8,629	21.5
(13) Inland waterway, Delaware River to Chesapeake Bay, Del. and Md. (Summit Bridge)	8,250	448	1,567	3,045	3,090	100	100	3,090	--------	98.8
(15) Intracoastal Waterway, Jacksonville to Miami, Fla. (Eau Gallie to Fort Pierce)	19,700	4,267	1,132	1,057	1,130	--------	--------	1,130	12,114	38.5
(16) St. Joseph Bay, Fla.	1,730	8	--------	539	1,183	--------	--------	1,183	--------	100.0
(17) Tampa Harbor, Fla.	14,400	4,839	1,881	2,908	3,672	100	100	3,672	1,000	92.4
(18) Brunswick Harbor, Ga.	1,910	10	--------	158	1,150	--------	--------	1,150	592	69.1
(19) Savannah River below Augusta, Ga.	3,710	97	45	1,195	950	--------	--------	950	1,423	61.5
(21) Honolulu Harbor, Hawaii	3,810	[1] 10	[1] 24	956	1,730	10	--------	1,720	1,090	71.4
(23) Mississippi River between Ohio and Missouri Rivers, regulating works	61,900	42,351	474	968	1,500	--------	--------	1,500	16,607	73.2
(24) Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri	6,300	22	--------	45	2,153	895	500	1,758	3,580	35.3
(25) Missouri River:										
Sioux City, Iowa, to Omaha, Nebr.	112,000	47,766	6,099	5,374	5,600	--------	--------	5,600	47,161	57.9
Omaha, Nebr., to Kansas City, Mo.	115,000	93,741	3,291	3,240	2,800	--------	--------	2,800	11,928	89.6
Kansas City, Mo., to mouth	122,000	103,185	4,614	3,721	3,475	300	300	3,475	6,705	94.3
(26) Gulf Intracoastal Waterway between Apalachee Bay, Fla., and Mexican Border, Plaquemine-Morgan City alternate route, Louisiana	27,300	5,098	5,373	6,032	5,951	100	100	5,951	4,746	82.3
(27) Mississippi River, Baton Rouge to the Gulf of Mexico, Louisiana	9,300	453	[1] 160	125	900	100	100	900	7,562	17.7
(28) Mississippi River-Gulf outlet, Louisiana	101,000	337	1,113	3,618	5,900	--------	--------	5,900	90,032	10.9
(29) Water hyacinth obstructions in the waters of the Gulf and South Atlantic States	5,476	160	--------	282	500	--------	--------	500	4,534	17.2
(31) Boston Harbor (extension to 40-foot channel) Mass.	5,360	734	1,730	2,013	883	--------	--------	883	--------	100.0
(33) Weymouth Fore River, Mass.	6,720	167	82	1,768	3,085	--------	--------	3,085	1,618	75.9
(36) Great Lakes connecting channels, Michigan	140,000	1,791	19,381	23,980	23,000	--------	--------	23,000	71,848	48.7
(37) Harrisville Harbor, Mich.	1,500	31	14	923	532	--------	--------	532	--------	100.0
(41) St. Marys River, Mich.	5,100	50	335	2,072	2,543	100	100	2,543	--------	98.1
(43) Delaware River, Philadelphia to Trenton, Pa., N. J., and Del.	110,800	6,125	10,335	10,970	14,300	1,300	500	13,500	68,570	37.7
(44) New York and New Jersey Channels	58,650	45,568	4,783	5,309	2,790	200	200	2,790	--------	99.7
(45) Barcelona Harbor, N. Y.	1,130	49	225	350	506	--------	--------	506	--------	100.0
(46) Buffalo Harbor, N. Y.	13,800	4,489	66	655	2,784	1,234	600	2,150	5,206	57.9
(47) Irondequoit Bay, N. Y.	2,230	19	--------	26	116	87	100	129	1,969	7.2
(48) Oswego Harbor, N. Y.	2,401	264	177	586	1,274	717	100	657	--------	95.8
(52) Cleveland Harbor, Ohio	18,520	16,306	840	868	400	--------	--------	400	106	94.3
(53) Columbia River between Vancouver, Wash., and The Dalles, Oreg.	5,950	2,974	33	1,200	1,743	132	--------	1,611	--------	100.0
(55) Rogue River at Gold Beach, Oreg.	4,700	[1] 6	[1] 11	715	1,500	--------	--------	1,500	2,468	47.5
(58) Brazos Island Harbor, Tex.	5,820	146	1,309	1,324	1,500	--------	--------	1,500	1,541	73.5
(59) Galveston seawall, Texas	9,230	16	53	1,517	1,200	--------	--------	1,200	6,444	30.2
(60) Gulf Intracoastal Waterway:										
Guadalupe River, channel to Victoria, Tex.	8,240	298	154	972	600	--------	--------	600	6,216	24.6
Realinement route vicinity of Aransas Pass, Tex.	3,085	233	44	1,846	962	--------	--------	962	--------	100.0
(61) Houston ship channel, Texas	8,420	4,743	682	1,019	1,150	--------	--------	1,150	826	90.2
(63) Port Aransas-Corpus Christi Waterway, Tex. (36-foot channel)	5,920	77	840	1,250	1,300	--------	--------	1,300	2,453	58.5
(64) Sabine-Neches Waterway, Tex.	11,200	290	717	1,383	1,500	--------	--------	1,500	7,310	34.7
(65) Texas City Channel, Tex. (37-foot channel)	1,520	2	--------	470	913	--------	--------	913	135	98.9
(66) Norfolk Harbor, Va. (widening 40-foot channel)	6,400	5	84	2,583	3,728	--------	--------	3,728	--------	100.0
(72) Bayfield Harbor, Wis.	251	5	--------	45	201	70	--------	131	--------	100.0
Projects not budgeted in 1960	184,248	88,560	28,642	19,166	1,995	3,295	1,300	--------	44,585	75.1
Total, channels and harbors	1,306,119	481,724	98,363	125,892	125,189	10,040	5,400	120,549	469,551	63.6
(b) Locks and dams:										
(1) Jackson lock and dam, Alabama	21,000	1,030	1,367	5,514	8,150	200	200	8,150	4,739	76.5
(2) Columbia lock and dam, Alabama and Georgia	13,600	132	210	556	1,000	--------	--------	1,000	11,702	14.0
(3) Illinois Waterway, Ill. (Calumet-Sag modification, Lake Calumet to Sag Junction)	92,500	5,669	5,828	10,930	10,227	2,527	900	8,600	58,946	35.3
(4) Mississippi River between the Missouri River and Minneapolis, Minn.:										
St. Anthony Falls, Minn.	35,600	10,398	1,801	544	2,861	921	500	2,440	19,496	43.8
Rectification of damages	5,058	2,267	64	66	65	--------	--------	65	2,596	48.7
(5) Markland lock and dam, Indiana, Kentucky, and Ohio	73,600	7,074	10,948	7,232	13,263	3,153	1,517	11,627	33,566	52.3
(6) Ohio River locks and dams:										
New Cumberland locks and dams, Ohio and West Virginia	41,500	9,057	9,311	10,184	6,800	500	500	6,800	5,648	85.2
Greenup locks and dams, Kentucky and Ohio	57,600	14,172	7,863	13,815	11,200	1,258	323	10,265	10,227	81.7
Lock and dam 41, Kentucky and Indiana	48,700	969	1,082	6,464	10,905	925	320	10,300	28,960	39.9
(7) New Richmond locks and dam, Kentucky and Ohio	76,600	112	725	3,755	9,300	100	100	9,300	62,608	18.1
(8) Great Lakes-Hudson River Waterway, N. Y.	38,950	23,045	116	874	730	100	100	730	14,085	63.6
(9) Pike Island lock and dam, Ohio and W. Va.	63,500	[1] 78	[1] 41	949	3,500	--------	--------	3,500	58,932	7.2
(10) Dam 8, Monongahela River, Pa.	3,500	[1] 125	347	2,303	725	--------	--------	725	--------	100.0
(11) Hildebrand lock and dam, West Virginia	12,460	3,856	3,979	3,247	1,278	100	100	1,278	--------	100.0
Projects not budgeted in 1960	126,881	115,349	4,991	259	--------	--------	--------	--------	6,282	95.0
Total, locks and dams	711,049	193,333	48,674	66,691	80,005	9,784	4,559	74,780	317,787	54.7
Total navigation projects	2,017,168	675,057	147,037	192,583	205,194	19,824	9,959	195,329	787,338	60.5

[1] Advance engineering and design only.

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

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 bridges, four of which will be completed in 1960.

[In thousands]

ALTERATION OF BRIDGES OVER NAVIGABLE WATERS	Costs to this appropriation					Analysis of 1960 financing				
	Total estimate	*To June 30, 1957*	*1958 actual*	*1959 estimate*	*1960 estimate*	*Deduct selected resources and unobligated balance, start of year*	*Add selected resources, end of year*	*Appropriation required for 1960*	*Appropriation required to complete*	*Percent cost complete through 1960*
(2) Chicago, Burlington and Quincy RR. Bridge, Ill.	$4,089	$35	--------	$470	$2,064	--------	--------	$2,064	$1,520	62.8
(3) Wabash Railroad Bridges at Meredosia and Valley City, Ill.	2,820	99	$753	1,440	528	--------	--------	528	--------	100.0
(4) Houghton-Hancock Bridge, Mich.	4,401	5	316	1,440	2,640	--------	--------	2,640	--------	100.0
(5) Staten Island Rapid Transit Bridge, N. Y., and N. J.	8,165	1,272	258	4,535	2,000	$100	$100	2,000	--------	98.8
(6) Interstate Bridge, Oreg. and Wash.	1,177	--------	--------	47	1,130	--------	--------	1,130	--------	100.0
(7) Corpus Christi Bridge, Tex.	4,821	392	1,404	1,784	486	300	300	486	455	84.3
Projects not budgeted in 1960	2,460	321	1,645	494	--------	--------	--------	--------	--------	100.0
Total, alteration of bridges	27,933	2,124	4,376	10,210	8,848	400	400	8,848	1,975	91.5

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.

[In thousands]

BEACH EROSION CONTROL PROJECTS	Costs to this appropriation					Analysis of 1960 financing				
	Total estimate	*To June 30, 1957*	*1958 actual*	*1959 estimate*	*1960 estimate*	*Deduct selected resources and unobligated balance, start of year*	*Add selected resources, end of year*	*Appropriation required for 1960*	*Appropriation required to complete*	*Percent cost complete through 1960*
(5) Fire Island Inlet, Long Island, N. Y.	$2,890	[1] $14	--------	$227	$1,050	$600	--------	$450	$1,599	44.7
Projects not budgeted in 1960	2,938	942	$167	210	--------	--------	--------	--------	1,619	44.9
Total beach erosion control projects	5,828	956	167	437	1,050	600	--------	450	3,218	44.8

[1] Advance engineering and design only.

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.

With the funds requested, work will be continued on 58 local protection projects, 13 of which will be completed, and on 40 reservoir projects, 9 of which will be completed in 1960.

It is anticipated that funds presently available will be sufficient to finance the Allegheny River Reservoir, Pa. and N. Y., in 1960, pending settlement of court actions concerning the acquisition of lands required for the project.

[In thousands]

FLOOD CONTROL PROJECTS	Costs to this appropriation					Analysis of 1960 financing				
	Total estimate	*To June 30, 1957*	*1958 actual*	*1959 estimate*	*1960 estimate*	*Deduct selected resources and unobligated balance, start of year*	*Add selected resources, end of year*	*Appropriation required for 1960*	*Appropriation required to complete*	*Percent cost complete through 1960*
(a) Local protection:										
(I) Projects specifically authorized by Congress:										
(2) McKinney Bayou and Barkman Creek, Ark. and Tex.	$1,360	$20	$2	$286	$600	--------	--------	$600	$452	66.8
(5) Devil, East Twin, Warm and Lytle Creeks, Calif.	10,700	1,101	1,319	1,060	2,002	$102	$100	2,000	5,118	51.2
(6) Eel River, Calif.	944	90	--------	346	508	--------	--------	508	--------	100.0
(7) Los Angeles County drainage area, California (exclusive of Whittier Narrows Reservoir)	338,000	161,282	14,756	15,907	19,097	3,413	1,816	17,500	125,142	62.4
(8) Lower San Joaquin River and tributaries, California	12,300	1,343	476	1,192	1,000	200	200	1,000	8,089	32.6
(9) Middle Creek, California	1,550	89	52	759	650	--------	--------	650	--------	100.0
(10) Sacramento River flood control, California	78,200	55,177	2,286	3,684	2,500	700	700	2,500	13,853	80.3
(11) Sacramento River and major and minor tributaries, California	23,000	2,102	726	905	1,100	100	100	1,100	18,067	21.0
(12) San Antonio and Chino Creek, Calif.	12,900	2,976	3,018	2,046	3,000	200	200	3,000	1,660	85.6
(13) San Lorenzo Creek, Calif.	5,840	147	116	591	2,391	1,614	423	1,200	2,172	55.6
(14) San Lorenzo River, Calif.	4,333	249	1,273	2,208	281	7	--------	274	322	92.6
(15) Santa Clara River, Calif.	4,360	[1] 76	[1] 53	448	1,300	--------	--------	1,300	2,483	43.1
(16) Santa Maria Valley levees, California	11,400	[1] 155	[1] 55	484	2,200	--------	--------	2,200	8,506	25.4
(17) Truckee River and tributaries, California and Nevada	1,200	138	[1] 20	71	550	100	100	550	321	64.9

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[In thousands]

FLOOD CONTROL PROJECTS—continued	Costs to this appropriation					Analysis of 1960 financing				
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete	Percent cost complete through 1960
(a) Local protection—Continued										
(I) Projects specifically authorized by Congress—Con.										
(20) Central and southern Florida	$237,500	$36,374	$5,533	$7,015	$9,000	$200	$200	$9,000	$179,378	24.4
(23) Beardstown, Ill	5,280	1,406	77	430	750	362	300	688	2,317	50.4
(24) Clear Creek drainage and levee district, Illinois	5,200	3,552	299	358	200	--------	--------	200	791	84.8
(25) East St. Louis and vicinity, Illinois	23,700	8,398	1,521	1,258	2,385	285	200	2,300	9,938	57.2
(26) Sny Basin, Ill	22,000	[1] 633	[1] 23	385	1,000	100	100	1,000	19,859	91.0
(27) Wilson and Wenkel and Prairie du Pont drainage and levee district, Illinois	5,320	3,008	670	479	663	--------	--------	663	500	90.6
(28) Wood River drainage and levee district, Illinois	15,600	9,650	869	800	1,100	--------	--------	1,100	3,181	98.0
(29) Evansville, Ind	13,000	2,275	28	193	430	2	2	430	10,072	22.5
(30) Vincennes, Ind	4,960	1,582	506	888	603	403	--------	200	1,381	72.2
(31) Little Sioux River, Iowa	15,500	2,144	2,103	2,266	3,000	800	300	2,500	5,687	61.4
(32) Missouri River, Kenslers' Bend, Nebr., to Sioux City, Iowa	11,200	6,534	1,687	1,092	750	100	100	750	1,037	89.8
(34) Muscatine Island levee district and Muscatine Louisa County drainage district No. 13, Iowa	4,300	[1] 57	[1] 38	376	860	--------	--------	860	2,969	31.0
(36) Abilene, Kans	1,170	47	267	418	338	100	100	338	--------	91.4
(38) Manhattan, Kans	1,770	24	[1] 15	62	588	238	100	450	981	38.9
(40) Ottawa, Kans	4,200	[1] 99	109	418	1,248	748	500	1,000	1,826	44.6
(41) Salina, Kans	3,191	251	238	918	1,584	324	200	1,460	--------	100.0
(42) Topeka, Kans	16,800	976	644	1,347	4,166	1,966	300	2,500	9,367	42.5
(47) Amite River and tributaries, Louisiana	3,440	64	1,060	1,112	1,204	--------	--------	1,204	--------	100.0
(48) Red River levees and bank stabilization below Denison Dam, La., Tex., and Ark	9,880	6,131	557	729	400	--------	--------	400	2,063	79.1
(51) North Adams, Mass	15,100	3,768	3,398	4,704	2,930	300	300	2,930	--------	100.0
(53) Battle Creek, Mich	6,600	264	568	2,192	1,592	144	100	1,548	1,884	69.9
(54) Lost River and Ruffy Brook, Minn	753	43	0	96	324	24	--------	300	290	61.5
(55) Red River of the North, Minn., S. Dak., and N. Dak	6,020	4,612	287	155	643	457	200	386	123	94.6
(56) Bear Creek, Mo	2,320	[1] 146	[1] 97	283	1,032	--------	--------	1,032	762	67.2
(57) Canton, Mo	1,171	95	19	215	723	3	--------	720	119	89.8
(58) Cape Girardeau, Mo	5,520	1,498	1,451	829	482	625	300	157	960	77.2
(59) Fabius River drainage and levee district, Missouri	2,220	[1] 63	[1] 38	237	777	477	200	500	905	50.2
(61) St. Louis, Mo	126,000	[1] 845	[1] 514	1,609	4,200	100	100	4,200	118,732	5.1
(64) Endicott, Johnson City, and Vestal, N. Y	6,500	762	1,439	1,717	1,700	200	200	1,700	682	86.4
(65) Lower Heart River, N. Dak	2,100	109	26	571	833	44	11	800	550	73.3
(68) Roseville, Ohio	750	76	13	377	284	--------	--------	284	--------	100.0
(69) Enid, Okla	1,490	[1] 23	[1] 15	45	735	235	100	600	572	54.9
(72) Multnomah County drainage district No. 1, Oregon	1,740	61	32	351	996	593	300	703	--------	98.3
(74) Willamette River Basin, bank protection, Oregon	12,100	6,348	346	629	500	--------	--------	500	4,277	64.7
(75) Allentown, Pa	1,810	175	35	820	680	100	100	680	--------	100.0
(76) Bethlehem, Pa	9,300	123	66	105	1,050	300	300	1,050	7,656	14.5
(77) Bradford, Pa	8,600	682	1,900	2,490	2,400	100	100	2,400	1,028	86.9
(78) Woonsocket, R. I	4,200	472	1,683	1,675	370	--------	--------	370	--------	100.0
(79) Sioux Falls, S. Dak	5,470	1,154	898	1,336	1,782	830	300	1,252	--------	94.5
(82) Buffalo Bayou, Tex	51,531	14,456	2,459	3,900	1,650	200	200	1,650	28,866	43.6
(85) San Antonio Channel, Tex	15,870	290	658	1,056	806	206	200	800	12,860	17.7
(86) Salt Lake City, Utah	1,880	149	35	257	1,339	100	100	1,339	--------	99.0
(88) Jackson Hole, Wyo	2,700	139	418	329	650	--------	--------	650	1,164	56.9
(89) Sheridan, Wyo	2,590	84	18	170	612	341	129	400	1,577	34.1
Projects not budgeted in 1960	505,886	296,922	22,428	12,401	3,438	6,938	3,500	--------	167,197	66.3
(II) Projects not specifically authorized by Congress	9,434	--------	1,637	4,200	2,700	3,597	897	--------	--------	90.5
(III) Emergency bank protection	985	--------	128	400	400	457	57	--------	--------	94.2
(IV) Snagging and clearing	2,329	--------	470	770	975	489	114	600	--------	95.1
Total, local protection	1,723,066	641,510	81,473	94,448	104,052	28,925	13,849	88,976	787,734	53.5
(b) Reservoirs:										
(1) Painted Rock Reservoir, Ariz	19,000	1,328	4,159	7,928	5,485	414	100	5,171	--------	99.5
(2) Whitlow Ranch Reservoir, Ariz	3,800	[1] 127	77	1,193	2,103	500	300	1,903	--------	99.0
(3) Black Butte Reservoir, Calif	18,300	[1] 386	[1] 244	485	2,500	--------	--------	2,500	14,685	19.8
(4) Carbon Canyon Reservoir, Calif	6,000	[1] 284	175	1,683	2,002	302	300	2,000	1,556	69.1
(5) Pine Flat Reservoir, Calif	41,200	38,883	125	47	75	--------	--------	75	2,070	99.8
(6) Russian River Reservoir, Calif	13,802	3,301	6,211	1,550	255	17	12	250	2,473	82.0
(7) Success Reservoir, Calif	15,300	2,106	1,172	3,870	4,000	--------	--------	4,000	4,152	72.9
(8) Terminus Reservoir, Calif	23,600	745	486	4,443	7,400	1,300	400	6,500	10,126	55.4
(9) Thomaston Reservoir, Conn	15,900	627	1,942	5,469	4,800	100	100	4,800	2,962	80.7
(11) Carlyle Reservoir, Ill	40,100	[1] 546	403	746	2,640	--------	--------	2,640	35,765	10.8
(12) Mansfield Reservoir, Ind	7,050	752	957	3,376	1,865	302	100	1,663	--------	98.6
(14) John Redmond Reservoir, Kans	32,400	[1] 396	[1] 37	461	1,300	--------	--------	1,300	30,206	6.8
(15) Pomona Reservoir, Kans	14,100	[1] 185	[1] 105	729	1,400	--------	--------	1,400	11,681	17.2
(17) Tuttle Creek Reservoir, Kans	85,900	15,772	7,786	15,863	18,895	1,121	571	18,345	27,013	67.9
(18) Buckhorn Reservoir, Ky	10,300	804	1,346	4,217	3,533	406	400	3,527	--------	96.1
(19) Nolin Reservoir, Ky	14,400	[1] 114	[1] 119	488	1,795	5	10	1,800	11,874	17.5
(20) Rough River Reservoir and Channel, Ky	9,700	1,612	1,791	3,480	2,717	502	100	2,315	--------	99.0
(23) East Brimfield Reservoir, Mass	7,520	382	1,010	4,416	1,652	60	60	1,652	--------	100.0
(25) West Hill Reservoir, Mass	2,400	171	[1] 67	[1] 260	1,000	--------	--------	1,000	902	62.4
(26) Pomme de Terre Reservoir, Mo	16,700	1,225	1,499	2,858	4,351	951	200	3,600	6,567	59.5
(27) Hopkinton-Everett Reservoir, N. H	30,800	116	[1] 590	1,462	5,568	--------	--------	5,568	23,064	25.1
(29) Chamita (Abiquiu) Reservoir, N. Mex	18,000	3,195	2,356	1,350	3,300	--------	--------	3,300	7,799	56.7
(30) Dillon Reservoir, Ohio	29,800	9,985	1,985	9,344	5,178	132	114	5,160	3,194	88.9
(32) Keystone Reservoir, Okla	137,000	1,743	971	3,388	20,989	6,039	3,050	18,000	106,859	19.8
(33) Oologah Reservoir, Okla	35,100	2,741	2,622	12,377	13,647	1,655	508	12,500	3,205	89.5
(35) Bear Creek Reservoir, Pa	11,700	2,209	2,059	2,300	3,400	--------	--------	3,400	1,732	85.2
(37) Dyberry Reservoir, Pa	4,003	581	1,185	1,847	390	--------	--------	390	--------	100.0
(38) Kettle Creek Reservoir, Pa	13,600	174	[1] 219	[1] 502	2,500	200	200	2,500	10,005	25.0
(39) Prompton Reservoir, Pa	3,700	463	222	1,695	1,120	200	200	1,120	--------	94.6
(40) Stillwater Reservoir, Pa	6,000	820	639	2,001	1,500	300	300	1,500	740	82.7
(41) Canyon Reservoir, Tex	15,700	1,018	236	1,677	2,000	--------	--------	2,000	10,769	31.4
(42) Cooper Reservoir and channels, Texas	13,600	124	378	888	1,300	--------	--------	1,300	10,910	19.8
(44) Navarro Mills Reservoir, Tex	6,450	105	10	153	1,000	--------	--------	1,000	5,182	19.7
(46) Waco Reservoir, Tex	39,750	275	200	955	4,000	--------	--------	4,000	34,320	13.7
(47) Ball Mountain Reservoir, Vt	10,500	1,363	1,915	3,038	2,560	100	100	2,560	1,524	84.5
(49) North Hartland Reservoir, Vt	7,050	[1] 234	635	2,419	2,571	--------	--------	2,571	1,191	83.1
(50) North Springfield Reservoir, Vt	6,800	665	765	2,295	2,040	--------	--------	2,040	1,035	84.8
(51) Townshend Reservoir, Vt	9,570	628	1,493	2,050	2,500	--------	--------	2,500	2,899	69.7
(52) Eagle Gorge Reservoir, Wash	35,500	5,666	10,596	5,653	5,999	12	13	6,000	7,573	78.6
(53) Sutton Reservoir, W. Va	35,600	8,024	11,261	11,753	4,462	145	100	4,417	--------	100.0
Projects not budgeted in 1960	611,802	463,973	21,970	9,231	2,798	3,538	740	--------	113,090	81.4
Total, reservoirs	1,479,497	573,843	92,018	139,944	158,592	18,303	7,978	148,267	507,122	65.2
Total, flood control projects	3,202,563	1,215,353	173,491	234,392	262,644	47,228	21,827	237,243	1,294,856	58.9

[1] Advance engineering and design only.

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—Continued

6. *Multiple-purpose projects, including power.*—With the funds requested, work will be continued on 21 multiple-purpose projects with power installations. Two revenue producing multiple-purpose projects with power will be substantially completed in 1960.

No funds are requested for the Beaver Reservoir project, Arkansas. The Department of the Interior has not yet completed additional studies to determine whether power revenues can repay the costs allocated to power.

[In thousands]

MULTIPLE-PURPOSE PROJECTS, INCLUDING POWER	Costs to this appropriation: Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Analysis of 1960 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete	Percent cost complete through 1960
(1) Walter F. George lock and dam, Alabama and Georgia	$87,000	$4,861	$7,105	$10,559	$15,300	$600	$200	$14,900	$48,975	42.6
(3) Bull Shoals Reservoir, Ark. and Mo	7,530	5	18	362	1,200	200	200	1,200	5,745	21.1
(4) Dardanelle lock and dam, Arkansas	94,600	1,027	429	296	6,650	2,733	1,083	5,000	85,115	8.9
(5) Greers Ferry Reservoir, Ark	56,100	1,060	760	4,418	11,110	349	369	11,130	38,383	31.0
(7) Hartwell Reservoir, Ga. and S. C	98,600	6,979	6,476	14,070	26,400	1,160	1,160	26,400	43,515	54.7
(8) Barkley Dam, Ky. and Tenn	182,000	1,276	3,716	10,963	19,000	135	135	19,000	146,910	19.2
(9) Table Rock Reservoir, Mo. and Ark	66,700	35,033	15,539	10,692	3,350	1,901	551	2,000	1,535	96.9
(10) Fort Peck Dam, Mont. (2d powerplant)	28,900	1,166	2,840	5,976	8,227	334	357	8,250	10,334	63.0
(12) Garrison Reservoir, N. Dak	294,000	256,167	12,835	10,009	5,471	849	428	5,050	9,090	96.8
(13) Eufaula Reservoir, Okla	157,000	2,401	1,835	3,702	17,728	5,285	957	13,400	130,377	16.4
(15) Cougar Reservoir, Oreg	42,900	2,294	4,078	5,399	9,474	669	895	9,700	20,760	49.5
(16) Hills Creek Reservoir, Oreg	40,000	3,140	6,308	11,179	9,706	2,769	1,363	8,300	8,304	75.8
(17) John Day lock and dam, Oregon and Washington	387,000	2,281	[1] 854	3,337	19,310	4,273	4,963	20,000	356,255	6.7
(20) The Dalles lock and dam, Oregon and Washington	252,000	207,165	18,407	12,818	7,105	205	100	7,000	6,405	97.4
(21) Big Bend Reservoir, S. Dak	98,000	142	366	351	2,225	200	575	2,600	94,341	3.2
(22) Fort Randall Reservoir, S. Dak	193,000	184,282	853	822	1,181	61	30	1,150	5,832	97.0
(23) Oahe Reservoir, S. Dak	380,000	79,074	36,593	34,104	43,200	2,900	3,200	43,500	183,829	50.8
(26) Denison Reservoir (Lake Texoma), Tex. and Okla. (highway bridge at Willis site)	3,528	5	36	71	2,552	2,362	510	700	354	75.5
(27) McGee Bend Dam, Tex	57,400	1,685	2,260	5,109	6,431	1,140	509	5,800	41,406	27.0
(28) Chief Joseph Dam, Wash	148,014	137,053	4,903	1,872	1,189	834	745	1,100	2,252	98.0
(29) Ice Harbor lock and dam, Washington	135,000	11,371	26,566	19,025	30,110	2,364	4,254	32,000	43,674	64.5
Projects not budgeted in 1960	1,490,176	1,413,875	11,198	8,918	683	1,283	600	--------	54,902	96.3
Total, multiple-purpose projects, including power	4,299,448	2,352,344	163,976	174,053	247,604	32,607	23,183	238,180	1,338,288	68.3

[1] Advance engineering and design only.

7. *Recreation on completed projects.*—Public use facilities will be provided at about 70 completed projects to accommodate a rapidly increasing number of visitors.

8. *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.

9. *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. A reappraisal of the scope and objectives of this program is scheduled for completion by the Department of the Interior prior to the formulation of the 1961 budget.

The various activities in the construction program are summarized in the following cost tabulation.

[In thousands]

PROGRAM BY ACTIVITIES	Costs to this appropriation: Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Analysis of 1960 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete	Percent cost complete through 1960
1. Advance engineering and design	$78,740	$25,364	$7,589	$10,523	$9,500	$2,000	------	$7,500	$25,764	----
Deduct amounts reflected under named projects	17,352	11,649	3,753	716	------	------	------	------	1,234	----
Total	61,388	13,715	3,836	9,807	9,500	2,000	------	7,500	24,530	----
2. Navigation projects:										
(a) Channels and harbors	1,306,119	481,724	98,363	125,892	125,189	10,040	$5,400	120,549	469,551	63.6
(b) Locks and dams	711,049	193,333	48,674	66,691	80,005	9,784	4,559	74,780	317,787	54.7
3. Alteration of bridges over navigable waters	27,933	2,124	4,376	10,210	8,848	400	400	8,848	1,975	91.5
4. Beach erosion control projects	5,828	956	167	437	1,050	600	------	450	3,218	44.8
5. Flood-control projects:										
(a) Local protection:										
(I) Projects specifically authorized by Congress	1,710,318	641,510	79,238	89,078	99,977	24,382	12,781	88,376	787,734	53.2
(II) Projects not specifically authorized by Congress	9,434	---------	1,637	4,200	2,700	3,597	897	-------	---------	90.5
(III) Emergency bank protection	985	---------	128	400	400	457	57	-------	---------	94.2
(IV) Snagging and clearing	2,329	---------	470	770	975	489	114	600	---------	95.1
(b) Reservoirs	1,479,497	573,843	92,018	139,944	158,592	18,303	7,978	148,267	507,122	65.2
6. Multiple-purpose projects, including power	4,299,448	2,352,344	163,976	174,053	247,604	32,607	23,183	238,180	1,338,288	68.3
7. Recreation on completed projects	2,485	219	93	923	1,250	-------	------	1,250	---------	----
8. Small authorized projects	12,816	2,527	1,489	4,500	3,500	4,300	800	-------	---------	93.8
9. Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	37,549	10,746	2,123	2,100	2,000	1,978	1,178	1,200	19,402	45.2
10. Northeast flood emergency	31,601	31,386	215	-------	-------	-------	------	-------	---------	100.0
11. Flood emergency (disaster relief)	---------	---------	3,544	−3,544	-------	-------	------	-------	---------	----
12. Undistributed reduction based on anticipated delays and savings	---------	---------	-------	-------	−30,000	-------	------	−30,000	30,000	----
Total program costs	9,698,779	4,304,427	500,343	625,462	711,590	108,937	57,347	660,000	3,499,610	----
13. Relation of costs to obligations: Costs financed from obligations of other years, net (−)			−20,434	−1,678	−6,277					
Total program (obligations)			479,909	623,784	705,313					

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$511,257	$160,147	$73,743	$23,743
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered)	81,008,702	61,281,347	52,963,927	42,167,065
Advances (payments for goods and services not yet received)	1,918,094	1,819,521	1,199,754	653,347
Construction facilities (acquisition value of facilities less depreciation charged to projects)	6,214,206	5,957,328	9,387,006	14,503,557
Total selected resources at end of year	89,652,259	69,218,343	63,624,430	57,347,712
Selected resources at start of year (−)		−89,652,259	−69,218,343	−63,624,430
Adjustment of selected resources reported at start of year			3,916,088	
Costs financed from obligations of other years, net (−)		−20,433,916	−1,677,825	−6,276,718

Object Classification

	1958 actual		1959 estimate		1960 estimate	
CORPS OF ENGINEERS, ARMY						
Total number of permanent positions		2,424		2,593		2,650
Full-time equivalent of all other positions		150		149		149
Average number of all employees		2,358		2,590		2,647
Number of employees at end of year		2,595		2,700		2,750
Average GS grade and salary	7.4	$5,552	7.3	$6,129	7.3	$6,155
Average salary of ungraded positions		$5,026		$5,166		$5,202
01 Personal services:						
Permanent positions		$12,538,597		$14,086,400		$14,475,900
Positions other than permanent		592,890		598,800		602,300
Other personal services		956,922		958,700		1,012,100
Pay allowances to commissioned officers		84,194		92,100		79,700
Total personal services		14,172,603		15,736,000		16,170,000
02 Travel		1,123,889		1,400,000		1,500,000
03 Transportation of things		323,564		400,000		425,000
04 Communication services		116,449		125,000		135,000
05 Rents and utility services		150,197		200,000		225,000
06 Printing and reproduction		137,283		150,000		160,000
07 Other contractual services		45,488,257		62,000,000		70,000,000
Services performed by—Other agencies		916,263		1,000,000		1,100,000
"Revolving fund, Corps of Engineers, Army"		50,736,218		65,000,000		70,000,000
08 Supplies and materials		3,402,242		3,600,000		3,750,000
09 Equipment		879,914		925,000		950,000
10 Lands and structures		358,657,052		470,498,143		538,891,006
11 Grants, subsidies, and contributions		769,047		864,000		891,000
13 Refunds, awards, and indemnities		989,540		82,000		36,000
15 Taxes and assessments		14,176		15,000		20,000
Subtotal		477,876,694		621,995,143		704,253,006
Deduct quarters and subsistence charges		128,203		130,000		140,000
Total, Corps of Engineers, Army		477,748,491		621,865,143		704,113,006
ALLOCATION ACCOUNTS						
Total number of permanent positions		8		4		4
Full-time equivalent of all other positions		4		4		3
Average number of all employees		15		12		10
Number of employees at end of year		6		8		7
Average GS grade and salary	5.6	$4,560	9.0	$6,250	9.0	$7,004
01 Personal services:						
Permanent positions		$54,137		$46,117		$42,545
Positions other than permanent		12,241		12,879		9,000
Other personal services		646		158		325
Total personal services		67,024		59,154		51,870
02 Travel		2,765		5,300		15,000
03 Transportation of things		327		235		
04 Communication services		5		580		1,000
05 Rents and utility services		8		3,510		
06 Printing and reproduction				245		
07 Other contractual services		1,862,048		1,789,606		876,587
Services performed by other agencies		3				
08 Supplies and materials		7,289		6,907		3,000
09 Equipment		53,623		40,500		
10 Lands and structures		106,345		9,500		250,000
11 Grants, subsidies, and contributions		2,983		2,769		2,543
13 Refunds, awards, and indemnities		58,315				
15 Taxes and assessments		302		399		
Subtotal		2,161,037		1,918,705		1,200,000
Deduct quarters and subsistence charges		139				
Total, allocation accounts		2,160,898		1,918,705		1,200,000
Total obligations		479,909,389		623,783,848		705,313,006

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Obligations are distributed as follows:			
Corps of Engineers, Army	$477,748,491	$621,865,143	$704,113,006
Bureau of Commercial Fisheries, Department of the Interior	1,952,294	1,894,153	1,200,000
Forest Service, Department of Agriculture	24,447	24,423	
Bureau of Reclamation, Department of the Interior	184,157		
Bureau of Indian Affairs, Department of the Interior		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, *or* restoration[, or maintenance] of flood control projects threatened or destroyed by flood; and not to exceed [$1,415,000] *$1,750,000* for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, [$113,370,000] *$113,500,000.* (*16 U. S. C. 661–666, 756; 33 U. S. C. 1, 414, 415, 540, 603a, 701, 701n, 705; 72 Stat. 301 and 302; Public Works Appropriation Act, 1959.*)

Appropriated 1959, [a] **$113,440,000** Estimate 1960, **$113,500,000**

[a] Includes $70,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Navigation:			
(a) Channels and harbors	$53,794,808	$55,325,000	$55,600,000
(b) Locks, dams, and canals	22,398,286	23,250,000	23,650,000
(c) Survey of northern and northwestern lakes	607,903	600,000	550,000
(d) Prevention of obstructions and injurious deposits	338,459	350,000	600,000
2. Flood control:			
(a) Reservoirs	4,167,828	4,750,000	5,170,000
(b) Channel improvements, inspections, and miscellaneous maintenance	618,139	1,100,000	830,000
3. Multiple-purpose projects including power	15,475,983	16,550,000	18,780,000
4. Lower Columbia River fish sanctuary program	1,325,263	1,400,000	1,750,000
5. Niagara remedial works	45,817	41,600	70,000
6. Emergency operations:			
(a) Removing sunken vessels and other navigation obstructions	367,256	530,000	450,000
(b) Clearing and straightening channels of navigable waters	9,246	75,000	50,000
(c) Flood control emergencies (repairs, and floodfighting and rescue work)	4,385,031	12,225,000	7,000,000
Total program costs	103,534,019	116,196,600	114,500,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net	110,677	92,197	
Total program (obligations)	103,644,696	116,288,797	114,500,000
Financing:			
Comparative transfers from (−) other accounts	−338,459	−350,000	
Unobligated balance brought forward	−2,955,034	−3,498,797	−1,000,000
Unobligated balance carried forward	3,498,797	1,000,000	
Appropriation (new obligational authority)	103,850,000	113,440,000	113,500,000

The appropriation requested represents a minor increase compared with 1959 and $9.7 million compared with 1958. With the amount recommended, essential maintenance work will be accomplished on an orderly and current schedule designed to hold costly repair and rehabilitation work in the future to a minimum.

1. *Navigation.*—This provides for essential maintenance requirements on 194 channel and harbor projects, 28

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, GENERAL—Continued

canals and canalized waterways, and for disposal of 2 obsolescent waterways. Provision is also made for surveys of the northern and northwestern lakes to obtain data for charts and bulletins for safe navigation and for the prevention of obstructions and injurious deposits in the harbors of New York, Baltimore, and Hampton Roads.

2. *Flood control.*—In 1960, 119 flood control reservoirs will be operated and maintained. Provision is also made for the minimum regular maintenance of 16 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.*—At the end of 1960, 34 multiple-purpose projects with an installed capacity of 6,508,400 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 related 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 also made for emergency work on channels of navigable waters and their tributaries.

The requested amount includes $7 million to replenish the authorized emergency flood control fund.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$392,896	$646,167	$650,000	$650,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	7,544,728	7,402,354	7,490,998	7,490,998
Advances (payments for goods and services on order not yet received)	500	280	----------	----------
Total selected resources	7,938,124	8,048,801	8,140,998	8,140,998
Selected resources at start of year (−)	----------	−7,938,124	−8,048,801	−8,140,998
Obligations incurred for costs of other years, net	----------	110,677	92,197	----------

Object Classification

	1958 actual	1959 estimate	1960 estimate
CORPS OF ENGINEERS, ARMY			
Total number of permanent positions	5,143	5,165	5,165
Full-time equivalent of all other positions	250	235	235
Average number of all employees	5,196	5,325	5,325
Number of employees at end of year	5,559	5,580	5,580
Average GS grade and salary	7.4 $5,552	7.3 $6,129	7.3 $6,155
Average salary of ungraded positions	$5,026	$5,166	$5,202
01 Personal services:			
Permanent positions	$25,900,200	$27,489,800	$27,608,100
Positions other than permanent	809,076	802,700	805,000
Other personal services	1,110,737	1,114,600	1,221,000
Pay and allowances to commissioned officers	35,096	37,900	37,900
Total personal services	27,855,109	29,445,000	29,672,000
02 Travel	642,694	645,000	645,000
03 Transportation of things	304,849	305,000	305,000
04 Communication services	$275,745	$280,000	$280,000
05 Rents and utility services	823,087	850,000	850,000
06 Printing and reproduction	23,377	25,000	25,000
07 Other contractual services	24,767,751	32,800,000	31,000,000
Services performed by—			
Other agencies	545,225	550,000	550,000
"Revolving fund, Corps of Engineers, Army"	38,818,883	41,030,171	40,500,500
08 Supplies and materials	5,051,509	5,500,000	5,500,000
09 Equipment	467,702	500,000	500,000
10 Lands and structures	1,432,973	1,500,000	1,500,000
11 Grants, subsidies, and contributions	1,616,160	1,700,000	1,710,000
13 Refunds, awards, and indemnities	16,284	16,500	16,500
15 Taxes and assessments	20,132	20,000	20,000
Subtotal	102,661,480	115,166,671	113,074,000
Deduct quarters and subsistence charges	314,209	324,000	324,000
Total, Corps of Engineers, Army	102,347,271	114,842,671	112,750,000
ALLOCATION TO BUREAU OF COMMERCIAL FISHERIES, DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	62	66	66
Full-time equivalent of all other positions	12	12	12
Average number of all employees	71	71	71
Number of employees at end of year	69	75	75
Average GS grade and salary	4.9 $4,165	8.0 $6,244	8.0 $6,340
Average salary of ungraded positions	$4,253	$4,015	$4,015
01 Personal services:			
Permanent positions	$266,019	$324,806	$327,560
Positions other than permanent	42,775	39,025	39,025
Other personal services	9,721	10,199	11,430
Total personal services	318,515	374,030	378,015
02 Travel	11,900	16,000	21,000
03 Transportation of things	2,767	3,000	5,000
04 Communication services	2,044	3,070	3,870
05 Rents and utility services	5,929	7,485	9,985
06 Printing and reproduction	776	840	1,200
07 Other contractual services	816,835	879,915	1,116,830
08 Supplies and materials	112,478	123,000	163,500
09 Equipment	26,253	32,650	44,150
11 Grants, subsidies, and contributions	11,135	17,250	17,550
15 Taxes and assessments	868	986	1,000
Subtotal	1,309,500	1,458,226	1,762,100
Deduct quarters and subsistence charges	12,075	12,100	12,100
Total, Department of the Interior	1,297,425	1,446,126	1,750,000
Total obligations	103,644,696	116,288,797	114,500,000

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; [$11,720,000] *$12,640,000. (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, 1959.)*

Appropriated 1959, **$11,720,000** Estimate 1960, **$12,640,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction and management:			
(a) Office, Chief of Engineers	$3,406,295	$3,965,000	$4,035,000
(b) Division offices	5,721,986	6,170,000	6,267,000
2. Review boards:			
(a) River and Harbor Board	456,241	457,000	473,000
(b) Beach Erosion Board	134,145	150,000	148,000
3. Regulation:			
(a) Hydraulic mining	5,011	5,000	5,000
(b) Inspections, issuance of permits, harbor lines, etc	682,602	696,000	697,000
4. Commercial statistics	871,333	872,000	874,000
5. Special investigations	119,145	141,000	141,000
Total program costs	11,396,758	12,456,000	12,640,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	15,371	6,113	----------
Total program (obligations)	11,412,129	12,462,113	12,640,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$338,459	$350,000	
1959 appropriation available in 1958	−3,887	3,887	
Unobligated balance no longer available	4,899		
New obligational authority	11,751,600	12,816,000	$12,640,000
New obligational authority:			
Appropriation	$11,714,600	$11,720,000	$12,640,000
Transferred from "United States section, Saint Lawrence River Joint Board of Engineers, civil" (72 Stat. 243)	37,000		
Appropriation (adjusted)	11,751,600	11,720,000	12,640,000
Proposed supplemental due to pay increases		1,096,000	

1. *Executive direction and management.*—The administration of the program includes a data processing center, and 9 division offices which supervise work decentralized in 38 district offices financed under other appropriations.

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 adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$72,921	$87,902	$95,815	$95,815
Advances (payments for goods and services on order not yet received)	801	1,800		
Total selected resources at end of year	73,722	89,702	95,815	95,815
Selected resources at start of year (−)		−73,722	−89,702	−95,815
Adjustment of selected resources reported at start of year		−609		
Obligations incurred for costs of other years, net		15,371	6,113	

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,169	1,237	1,253
Full-time equivalent of all other positions	3	3	3
Average number of all employees	1,153	1,196	1,209
Number of employees at end of year	1,194	1,238	1,246
Average GS grade and salary	7.4 $5,552	7.3 $6,129	7.3 $6,155
Average salary of ungraded positions	$5,026	$5,166	$5,202
01 Personal services:			
Permanent positions	$8,172,860	$9,118,630	$9,236,100
Positions other than permanent	16,767	12,500	12,500
Other personal services	61,950	73,970	108,700
Pay and allowances to commissioned officers	334,983	389,700	392,700
Total personal services	8,586,560	9,594,800	9,750,000
02 Travel	518,182	520,000	520,000
03 Transportation of things	21,260	25,000	25,000
04 Communication services	169,714	170,000	170,000
05 Rents and utility services	$80,303	$81,000	$81,000
06 Printing and reproduction	46,958	47,000	47,000
07 Other contractual services	106,100	110,000	110,000
Services performed by other agencies	116,001	116,000	116,000
Services performed by "Revolving fund, Corps of Engineers, Army"	1,149,285	1,100,513	1,119,000
08 Supplies and materials	60,950	68,887	65,000
09 Equipment	25,131	25,000	25,000
11 Grants, subsidies, and contributions	510,260	590,500	593,000
13 Refunds, awards, and indemnities	13,315	13,000	13,000
15 Taxes and assessments	4,223	4,300	6,000
1959 program obligated in 1958	3,887	−3,887	
Total obligations	11,412,129	12,462,113	12,640,000

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, [$68,347,500] *$68,000,000.* (*Public Works Appropriation Act, 1959.*)

Appropriated 1959, **$68,347,500** Estimate 1960, **$68,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General investigations:			
(a) Examination and surveys	$449,749	$292,500	$111,671
(b) Collection and study of basic data:			
(1) Surveys, gages, and observations	46,086	50,000	55,286
(2) Fish and wildlife studies	18,999	10,044	
2. Advance engineering and design	42,455	133,519	
3. Construction:			
(a) Mississippi River levees	2,144,463	2,962,801	2,625,000
(b) Channel improvement	20,880,204	21,490,239	22,500,000
(c) Memphis Harbor, Tenn	144,585	641,002	500,000
(d) Vicksburg Harbor, Miss	673,985	949,911	1,500,000
(e) Old River control, Louisiana	10,517,687	8,558,948	9,500,000
(f) St. Francis Basin	4,133,480	3,810,279	3,763,873
(g) Reelfoot Lake area, Tennessee and Kentucky	216,873	142,000	6,066
(h) Lower Arkansas River, Ark	500,181	505,617	550,000
(i) Tensas Basin, Ark. and La	1,357,689	1,217,766	1,000,000
(j) Yazoo Basin, Miss	3,999,619	4,237,871	3,925,700
(k) Baton Rouge Harbor, La	497,389	252,611	
(l) Atchafalaya Basin, La	3,295,500	5,331,482	5,390,000
(m) Lake Pontchartrain, La	591,024	498,683	500,000
(n) Lower White River	17,009	75,600	72,404
(o) Sec. 6, Flood Control Act, 1928	16,823	3,177	
(p) Lower Red River		20	
4. Maintenance	$16,575,110	$16,176,157	$17,000,000
5. Flood control emergencies	31,440	17,317	
6. 1959 program obligated in 1958	536,796	−536,796	
Total obligations	66,687,146	66,820,748	69,000,000
Financing:			
1959 appropriation available in 1958	−536,796	536,796	
Unobligated balance brought forward	−5,445,394	−10,044	−1,000,000
Unobligated balance carried forward	10,044	1,000,000	
Appropriation (new obligational authority)	60,715,000	68,347,500	68,000,000

The Corps of Engineers, Army, 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 following tabulation sets forth the program, in terms of costs, reconciled to fund requirements, for each activity. Percentages of completion at the end of 1960 are shown for construction features.

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Current authorizations—Continued

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES—Continued

[In thousands]

PROGRAM BY ACTIVITIES	Costs to this appropriation: Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Analysis of 1960 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete	Percent cost complete through 1960
1. General investigations:										
(a) Examinations and surveys	----------	----------	$450	$293	$112	$52	----------	$60	----------	
(b) Collection and study of basic data:										
(1) Surveys, gages, and observations	----------	----------	46	50	55	5	----------	50	----------	
(2) Transfer to Fish and Wildlife Service	----------	----------	20	10	----------	----------	----------	----------	----------	
2. Advance engineering and design	$255	$79	42	134	----------	----------	----------	----------	----------	
Deduct amounts included in named projects below	180	79	42	59	----------	----------	----------	----------	----------	
Total, advance engineering and design	75	----------	----------	75	----------	----------	----------	----------	----------	
3. Construction:										
(a) Mississippi River Levees	221,000	188,456	1,345	3,621	2,960	885	$425	2,500	$24,193	88.9
(b) Channel improvement	468,000	349,547	19,626	22,935	22,000	173	673	22,500	53,219	88.4
(c) Memphis Harbor, Tenn	18,000	12,966	59	422	655	305	150	500	3,748	78.3
(d) Vicksburg Harbor, Miss	4,520	125	138	1,697	1,375	----------	125	1,500	1,060	73.8
(e) Old River control, La	80,000	10,985	10,708	8,036	10,019	529	10	9,500	40,242	49.7
(f) St. Francis Basin	84,400	23,901	2,904	3,518	5,889	3,106	717	3,500	47,471	42.9
(h) Lower Arkansas River, Ark	25,800	18,312	243	804	436	11	125	550	5,880	76.7
(i) Tensas Basin, Ark and La	29,900	20,379	956	2,008	835	10	175	1,000	5,547	80.9
(j) Yazoo Basin, Miss	191,000	88,263	2,943	5,329	4,104	979	425	3,550	89,936	52.7
(l) Atchafalaya Basin, La	113,000	85,626	2,270	6,857	5,015	100	375	5,290	12,857	88.3
(m) Lake Pontchartrain, La	6,190	2,053	300	568	621	346	225	500	2,423	57.2
Features not budgeted in 1960	30,570	19,206	440	65	311	----------	----------	----------	10,548	----------
Total construction	1,272,380	819,819	41,932	56,446	54,220	6,755	3,425	50,890	296,538	
4. Maintenance	----------	----------	15,804	17,205	17,095	95	----------	17,000	----------	
5. Flood control emergencies	----------	----------	31	17	----------	----------	----------	----------	----------	
Total program costs	----------	----------	58,283	74,095	71,481	6,906	3,425	68,000	----------	
6. Relation of costs to obligations:										
Costs financed from obligations of other years, net (−)			----------	−7,274	−2,481					
Obligations incurred for costs of other years, net			8,404	----------	----------					
Total program (obligations)			66,687	66,821	69,000					

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

	1957 actual	1958 actual	1959 estimate	1960 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$8,537	$33,662	----------	----------
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	4,761,643	13,035,992	$5,213,795	$3,251,767
Advances (payments for goods and services not yet received)	----------	----------	519,000	----------
Construction facilities (acquisition value of facilities less depreciation charged to projects)	5,700	110,500	172,900	172,900
Total selected resources at end of year	4,775,880	13,180,154	5,905,695	3,424,667
Selected resources at start of year (−)	----------	−4,775,880	−13,180,154	−5,905,695
Costs financed from obligations of other years, net (−)	----------	----------	−7,274,459	−2,481,028
Obligations incurred for costs of other years, net	8,404,274	----------	----------	----------

1. *General investigations.*—The comprehensive review of the Mississippi River and tributaries project will be completed with prior year funds. Provision is also made for two studies and the collection of basic data which is subsequently used in planning and designing projects.

3. *Construction.*—The total estimated cost of flood control and related improvements in the lower Mississippi River and its alluvial valley is estimated at $1,482 million, of which $1,059 million has been appropriated through 1959. Improvements estimated to cost $133 million have been completed and improvements estimated at $77 million have not been started. The funds requested will be applied to continuation of 11 features of the project which by the end of 1960 will have been brought to a percent of completion as shown in the tabulation above.

4. *Maintenance.*—Provision is made for operation and ordinary maintenance of the major features of the project.

Object Classification

	1958 actual	1959 estimate	1960 estimate
CORPS OF ENGINEERS, ARMY			
Total number of permanent positions	516	549	549
Full-time equivalent of all other positions	332	341	341
Average number of all employees	757	825	825
Number of employees at end of year	612	670	670
Average GS grade and salary	7.4 $5,552	7.3 $6,129	7.3 $6,155
Average salary of ungraded positions	$5,026	$5,166	$5,202
01 Personal services:			
Permanent positions	$2,009,644	$2,379,000	$2,381,800
Positions other than permanent	1,036,754	1,090,900	1,093,900
Other personal services	450,568	395,100	394,300
Total personal services	3,496,966	3,865,000	3,870,000
02 Travel	401,982	425,000	425,000
03 Transportation of things	96,877	103,000	110,000
04 Communication services	10,972	12,000	12,000
05 Rents and utility services	265,099	300,000	300,000
06 Printing and reproduction	21,798	25,000	25,000
07 Other contractual services	5,628,291	5,700,000	6,000,000
Services performed by—			
Other agencies	50,005	45,000	50,000
"Revolving fund, Corps of Engineers, Army"	18,032,036	19,528,092	19,500,000
08 Supplies and materials	9,805,807	9,136,796	9,000,000
09 Equipment	50,201	17,000	24,000
10 Lands and structures	28,106,757	28,013,112	29,498,700
11 Grants, subsidies, and contributions	132,925	147,000	152,000
13 Refunds, awards, and indemnities	12,660	10,000	10,000
15 Taxes and assessments	22,656	24,200	27,000
1959 program obligated in 1958	536,796	−536,796	----------
Subtotal	66,671,828	66,814,404	69,003,700
Deduct quarters and subsistence charges	3,681	3,700	3,700
Total, Corps of Engineers, Army	66,668,147	66,810,704	69,000,000

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE, DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	4	1	
Average number of all employees	3	1	
Number of employees at end of year	0	1	
Average GS grade and salary	7.0 $4,835	9.0 $6,906	
01 Personal services:			
Permanent positions	$15,943	$8,368	
Other personal services		32	
Total personal services	15,943	8,400	
02 Travel	1,380	1,000	
04 Communication services	15		
06 Printing and reproduction	62		
07 Other contractual services	299		
08 Supplies and materials	423	100	
11 Grants, subsidies, and contributions	811	544	
15 Taxes and assessments	66		
Total, Department of the Interior	18,999	10,044	
Total obligations	66,687,146	66,820,748	$69,000,000

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; [$100,000] *$40,000*: *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, 1959.*)

Appropriated 1959, **$100,000** Estimate 1960, **$40,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Review of designs, plans, and specifications (total program costs)	$85,159	$50,000	$40,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−323		
Total program (obligations)	84,836	50,000	40,000
Financing:			
Unobligated balance no longer available	3,164	50,000	
New obligational authority	88,000	100,000	40,000
New obligational authority:			
Appropriation	$125,000	$100,000	$40,000
Transferred to "General expenses," rivers and harbors and flood control, Army (72 Stat. 243)	−37,000		
Appropriation (adjusted)	88,000	100,000	40,000

The United States section of the Saint Lawrence River Joint Board of Engineers reviews plans and coordinates construction, in conjunction with the Canadian section of the Joint Board, of power facilities being constructed in the International Rapids section of the Saint 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.

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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$114			
Selected resources at start of year (−)		−$114		
Adjustment of selected resources reported start of year		−209		
Costs financed from obligations of other years, net (−)		−323		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2	2	2
Full-time equivalent of all other positions	3	1	1
Average number of all employees	5	3	2
Number of employees at end of year	2	2	0
Average GS grade and salary	7.4 $5,552	7.3 $6,129	7.3 $6,155
01 Personal services:			
Permanent positions	$17,603	$19,600	$11,900
Positions other than permanent	23,992	8,000	8,000
Other personal services	80	100	100
Total personal services	41,675	27,700	20,000
02 Travel	1,492	1,000	1,000
04 Communication services	1,076	1,000	1,000
05 Rents and utility services	2,402	2,000	1,000
07 Other contractual services	991	1,000	1,000
Services performed by—			
Other agencies	25,289	10,600	10,000
"Revolving fund, Corps of Engineers, Army"	10,261	5,000	4,700
08 Supplies and materials	607	500	500
11 Grants, subsidies, and contributions	1,043	1,200	800
Total obligations	84,836	50,000	40,000

Niagara Remedial Works

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Remedial works (total program costs)	$90,188	$157,567	
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−6,454		
Total program (obligations)	83,734	157,567	
Financing:			
Unobligated balance brought forward	−241,301	−157,567	
Unobligated balance carried forward	157,567		
Appropriation (new obligational authority)			

1. *Remedial works.*—Construction of remedial works in the Niagara River was completed in 1958. Available funds will be used to finance final payment to the Dominion of Canada in 1959 for costs determined to be a responsibility of the United States.

2. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1957 was $6,454.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$33	$100	
Services performed by "Revolving fund, Corps of Engineers, Army"	17,257	31,100	
10 Lands and structures	66,094	125,967	
11 Grants, subsidies, and contributions	350	400	
Total obligations	83,734	157,567	

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Current authorizations—Continued

CLAIMS, LAKE OF THE WOODS FLOOD DAMAGE, ARMY

(Indefinite)

Appropriated 1959, **$243,633**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total costs—obligations)		$243,633	
Financing:			
Appropriation (new obligational authority)		243,633	

Public Law 85–621, approved August 12, 1958, provided funds for the compensation of certain persons whose lands were damaged by fluctuations in the water level of the Lake of the Woods. All claims under this act will be paid in 1959 (68 Stat. 728; 72 Stat. 561).

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities		$243,633	

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 [two hundred and thirty-six] *one hundred and seventy-six* for replacement only) and hire of passenger motor vehicles. (*Public Works Appropriation Act, 1959.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation as follows:
"Construction of hospital and domiciliary facilities," Veterans Administration.
"Limitation on operation and maintenance and capital outlay," United States Soldiers' Home.
"Disaster relief," funds appropriated to the President.
"Salaries and expenses," National Science Foundation.
"Salaries and expenses," maritime activities, Department of Commerce.
"Commodity Credit Corporation fund," Department of Agriculture.
"Construction," Bureau of Sport Fisheries and Wildlife, Department of the Interior.
"Passamaquoddy tidal power survey," Department of State.
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
"Mutual security," funds appropriated to the President.

Permanent authorizations:

PAYMENTS TO STATES, FLOOD CONTROL ACT OF 1954, ARMY

(Indefinite special fund)

Appropriated (est.) 1959, **$1,500,000** Estimate 1960, **$1,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payments to States (total costs—obligations)	$1,530,788	$1,402,861	$1,500,000
Financing:			
Unobligated balance brought forward	−1,461,149	−1,402,861	−1,500,000
Unobligated balance carried forward	1,402,861	1,500,000	1,500,000
Appropriation (new obligational authority)	1,472,500	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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$1,530,788	$1,402,861	$1,500,000

RIVERS AND HARBORS AND FLOOD CONTROL, ARMY, SPECIAL EXPENSE FUNDS

(Indefinite special funds)

Appropriated (est.) 1959, **$168,000** Estimate 1960, **$168,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Hydraulic mining in California, debris fund"	$13,593	$36,001	$18,000
2. "Maintenance and operation of dams and other improvements of navigable waters"	152,127	152,127	150,000
Total program costs	165,720	188,128	168,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−45		
Total program (obligations)	165,675	188,128	168,000
Financing:			
Unobligated balance brought forward	−165,676	−170,128	−150,000
Unobligated balance carried forward	170,128	150,000	150,000
Appropriation (new obligational authority)	170,127	168,000	168,000

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).

3. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1957 was $45.

Object Classification

	1958 actual	1959 estimate	1960 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	7.4 $5,552	7.3 $6,129	7.3 $6,155
01 Personal services:			
Permanent positions	$7,672	$8,370	$8,830
Other personal services	216	330	370
Total personal services	7,888	8,700	9,200
02 Travel	256	200	200
04 Communication services	96	100	100
05 Rents and utility services	73	100	100
07 Other contractual services	1,888	1,500	1,500
Services performed by—			
Other agencies	47	100	100
"Revolving fund, Corps of Engineers, Army"	153,707	175,828	155,100
08 Supplies and materials	1,088	1,000	1,000
09 Equipment	490	500	500

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$478	$500	$600
Subtotal	166,011	188,528	168,400
Deduct quarters and subsistence charges	336	400	400
Total obligations	165,675	188,128	168,000

Intragovernmental funds:

REVOLVING FUND, CORPS OF ENGINEERS, ARMY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Plant and equipment services	$45,702,132	$46,841,619	$47,200,000
Warehousing [1]	3,015,661	3,090,607	3,050,000
Shop and facility services	25,216,228	26,725,731	27,100,000
General administrative services	135,697,552	138,759,972	139,050,000
Net loss on sale of fixed assets	91,238	12,904	50,000
Total operating cost	209,722,811	215,430,833	216,450,000
Unfunded adjustments to total operating costs:			
Depreciation (−)	−7,316,928	−7,400,000	−7,500,000
Decrease in reserve for insurance	34,498	28,615	
Net loss on sale of fixed assets (−)	−91,238	−12,904	−50,000
Total operating costs, funded	202,349,143	208,046,544	208,900,000
Capital outlay: Plant, properties, and equipment [2]	9,094,647	17,000,000	10,000,000
Total program costs, funded	211,443,790	225,046,544	218,900,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−7,941,880	−3,300,000
Obligations incurred for costs of other years, net	7,997,349		
Total program (obligations)	219,441,139	217,104,664	215,600,000
Financing:			
Amounts becoming available:			
Sale of fixed assets	1,319,786	1,658,112	1,600,000
Operating revenue	208,889,945	215,000,000	216,000,000
Nonoperating revenue	214,595	150,000	100,000
Total amounts becoming available	210,424,326	216,808,112	217,700,000
Unobligated balance brought forward	10,726,166	1,709,353	1,412,801
Total amounts available	221,150,492	218,517,465	219,112,801
Unobligated balance carried forward	−1,709,353	−1,412,801	−3,512,801
Financing applied to program	219,441,139	217,104,664	215,600,000

[1] Excludes inventory transferred in without charge, net, as follows: 1958, $16,895; 1959, $11,965; and 1960, $50,000.
[2] Excludes property transferred in without charge, net, as follows: 1959, $50,000; and 1960, $50,000.

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 (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 operating costs of repair and maintenance shops, boatyards, and printing and reproduction plants. General administrative services include engineering and support functions of Corps of Engineers district offices. Operating costs of these activities are expected to increase in 1959 and 1960 principally due to increased cost of labor. The increase in outlay for plant, properties, and equipment in 1959 is expected to result principally from accrual of $7.7 million for acquisition costs of a replacement hopper dredge for use on the Great Lakes. Remaining acquisition costs for this dredge of $2.3 million are expected to accrue in 1960.

Financing.—Operations are financed from reimbursements or advances from the appropriations or individuals who utilize the services or facilities, at rates to cover all operating costs.

Operating results and financial condition.—The slight decrease in revenue compared with operating expenses is attributable to adjustments in rates charged for cost of facilities and services furnished, thereby resulting in a decrease in retained earnings from $1.1 million in 1958 to $0.4 million in 1960. Earnings, if any, are retained and are reduced by adjustments to rates charged for services in subsequent years.

The initial capital of 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. In 1958 capital of the fund was reduced $9.3 million and liabilities were increased to reflect the full value of accrued annual leave of employees. Capital was also decreased by $0.3 million because of a net transfer of assets of the fund to other agencies without reimbursement.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Inventories	$8,962,708	$8,590,124	$8,500,000	$8,300,000
Unpaid undelivered orders	5,183,038	14,770,103	7,400,000	4,700,000
Deferred and undistributed items	2,498,785	1,281,653	800,000	400,000
Total selected resources at end of year	16,644,531	24,641,880	16,700,000	13,400,000
Selected resources at start of year		−16,644,531	−24,641,880	−16,700,000
Costs financed from obligations of other years, net (−)			−7,941,880	−3,300,000
Obligations incurred for costs of other years, net		7,997,349		

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Plant, properties, and equipment	$9,094,647	$17,000,000	$10,000,000
Expense:			
Purchases of supplies and materials	7,989,047	7,997,911	7,750,000
Direct operating expense	193,770,012	199,709,894	200,720,000
Restoration of damage to property	217,500	248,615	230,000
Increase in selected working capital	1,289,219		
Gross expenditures	212,360,425	224,956,420	218,700,000
Receipts from operations (funds provided):			
Realization of assets:			
Proceeds of sales: Plant, properties, and equipment	1,319,786	1,658,112	1,600,000
Operating revenue	208,889,945	215,000,000	216,000,000
Nonoperating revenue	214,595	150,000	100,000
Decrease in selected working capital		2,364,855	400,000
Total receipts from operations	210,424,326	219,172,967	218,100,000
Budget expenditures	1,936,099	5,783,453	600,000

Revenue, Expense, and Retained Earnings

Revenue	$208,889,945	$215,000,000	$216,000,000
Expense	209,648,468	215,429,894	216,450,000
Net operating loss (−)	−758,523	−429,894	−450,000
Nonoperating income or loss (−):			
Proceeds of sale of fixed assets	1,319,786	1,658,112	1,600,000
Net book value of assets sold (−)	−1,411,024	−1,671,016	−1,650,000
Net loss (−) on sale of fixed assets	−91,238	−12,904	−50,000
Other nonoperating revenue	214,595	150,000	100,000
Net nonoperating income	123,357	137,096	50,000
Net loss (−) for the year	−635,166	−292,798	−400,000
Analysis of retained earnings:			
Retained earnings, beginning of year	1,731,051	1,092,798	800,000
Items initially capitalized transferred to investment account (−)	−3,087		
Retained earnings, end of year	1,092,798	800,000	400,000

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RIVERS AND HARBORS AND FLOOD CONTROL, *ARMY*—Continued

Intragovernmental funds—Continued

REVOLVING FUND, CORPS OF ENGINEERS, ARMY—Continued

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$27,683,453	$21,900,000	$21,300,000
Accounts receivable	23,791,104	19,700,000	19,500,000
Inventories	8,590,124	8,500,000	8,300,000
Deferred and undistributed items	1,281,653	800,000	400,000
Plant, properties, and equipment, net	106,221,016	114,200,000	115,100,000
Total assets	167,567,350	165,100,000	164,600,000
Liabilities and reserves:			
Current liabilities	34,995,101	32,787,199	32,587,199
Unfunded liability for accrued annual leave	9,312,801	9,312,801	9,312,801
Reserve for self-insurance	2,628,615	2,600,000	2,600,000
Total liabilities and reserves	46,936,517	44,700,000	44,500,000
Government investment:			
Non-interest-bearing capital:			
Start of year	129,126,245	119,538,035	119,600,000
Adjustment of prior year losses charged to capital	3,087		
Additional liability assumed for accrued leave (−)	−9,312,801		
Donated assets, net	−278,496	61,965	100,000
End of year	119,538,035	119,600,000	119,700,000
Retained earnings	1,092,798	800,000	400,000
Total Government investment	120,630,833	120,400,000	120,100,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$29,619,552	$27,683,453	$21,900,000	$21,300,000
Obligated balance, net:				
Current liabilities	30,806,598	34,995,101	32,787,199	32,587,199
Obligations other than liabilities:				
Unpaid undelivered orders	5,183,038	14,770,103	7,400,000	4,700,000
Accounts receivable, net (−)	−17,096,250	−23,791,104	−19,700,000	−19,500,000
Total obligated balance	18,893,386	25,974,100	20,487,199	17,787,199
Unobligated balance	10,726,166	1,709,353	1,412,801	3,512,801

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	15,890		16,205		16,325	
Full-time equivalent of all other positions	957		1,078		1,133	
Average number of all employees	15,801		16,333		16,420	
Number of employees at end of year	16,586		17,739		19,030	
Average GS grade and salary	7.4	$5,552	7.3	$6,129	7.3	$6,155
Average salary of ungraded positions		$5,026		$5,166		$5,202
01 Personal services:						
Permanent positions		$82,473,764		$87,668,275		$88,319,850
Positions other than permanent		3,572,801		4,060,550		4,292,050
Other personal services		4,821,793		4,450,875		4,821,400
Pay and allowance to commissioned officers		634,448		770,300		866,700
Total personal services		91,502,806		96,950,000		98,300,000
02 Travel		6,642,209		6,650,000		6,650,000
03 Transportation of things		565,327		570,000		570,000
04 Communication services		2,007,288		2,000,000		2,000,000
05 Rents and utility services		1,290,634		1,300,000		1,300,000
06 Printing and reproduction		608,999		600,000		600,000
07 Other contractual services		77,332,044		76,054,420		75,518,000
08 Supplies and materials		18,042,942		18,050,000		18,050,000
09 Equipment		6,954,801		15,000,000		8,000,000
10 Lands and structures		279,545		1,450,000		1,250,000
11 Grants, subsidies, and contributions		5,231,581		5,702,000		5,802,000
13 Refunds, awards, and indemnities		335,554		350,000		350,000
15 Taxes and assessments		277,476		280,000		310,000
Total accrued expenditures		211,071,206		224,956,420		218,700,000
Net increase or decrease (−) in undelivered orders and deferred and undistributed items		8,369,933		−7,851,756		−3,100,000
Total obligations		219,441,139		217,104,664		215,600,000

ADVANCES AND REIMBURSEMENTS, RIVERS AND HARBORS AND FLOOD CONTROL, ARMY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Sale of property, supplies, materials, and utilities:			
Other Department of the Army functions	$2,444	$5,000	$5,000
Non-Federal agencies	1,111,987	1,200,000	1,200,000
Other	103,870	100,000	100,000
Total, sale of property, supplies, materials, and utilities	1,218,301	1,305,000	1,305,000
2. Operation of powerplant (Department of the Interior)	336,967	400,000	276,000
3. Damage to property (non-Federal agencies)	224,275	200,000	200,000
4. Construction of Niagara remedial works (Canadian Government)	15,109	5,000	
5. Miscellaneous services to other accounts	3,666	5,000	5,000
Total obligations	1,798,318	1,915,000	1,786,000
Financing:			
Advances and reimbursements from—			
Other accounts	446,947	510,000	386,000
Non-Federal sources (33 U. S. C. 558, 559, 571, 701, and 701k)	1,351,371	1,405,000	1,400,000
Total financing	1,798,318	1,915,000	1,786,000

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	53		53		53	
Full-time equivalent of all other positions	2		1		1	
Average number of all employees	56		53		53	
Average GS grade and salary	7.4	$5,552	7.3	$6,129	7.3	$6,155
01 Personal services:						
Permanent positions		$276,259		$298,500		$310,500
Positions other than permanent		6,625		5,000		5,000
Other personal services		10,751		10,500		11,500
Total personal services		293,635		314,000		327,000
02 Travel		9,249		11,000		10,000
03 Transportation of things		3,331		3,000		2,000
04 Communication services		2,702		3,000		3,000
05 Rents and utility services		226,915		250,000		230,000
06 Printing and reproduction		10,089		10,000		10,000
07 Other contractual services		309,225		319,800		300,200
08 Supplies and materials		304,730		330,000		320,000
09 Equipment		82,663		100,000		90,000
10 Lands and structures		537,985		555,200		473,800
11 Grants, subsidies, and contributions		17,794		19,000		20,000
Total obligations		1,798,318		1,915,000		1,786,000

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, [$5,299,500] *$10,948,000*, of which [$434,630] *$5,587,000* shall remain available until [June 30, 1960] *expended*, for construction of buildings and facilities, including 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.

[The amount authorized by the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959, to be paid from the Soldiers' Home permanent fund, for maintenance and operation of the Home, is increased by $232,000, of which $125,000 shall remain available until June 30, 1960, for construction planning.] (*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, 1959; Supplemental Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Medical care	$2,110,112	$2,303,006	$2,422,518
2. Domiciliary activities	1,120,699	1,248,726	1,262,845

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
3. Administration and central services	$1,550,729	$1,617,138	$1,675,637
4. Permanent improvements	1,818,385	446,922	5,692,621
Total obligations	6,599,925	5,615,792	11,053,621
Financing:			
Unobligated balance brought forward	2,317,298	534,373	647,081
Receipts transferred from Soldiers' Home permanent fund:			
Authorized	4,817,000	5,531,500	10,948,000
Proposed increase due to pay increases		197,000	
Unobligated balance carried forward	−534,373	−647,081	−541,460
Total financing	6,599,925	5,615,792	11,053,621

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 appropriated from the Soldiers' Home permanent fund (trust fund) and not from the general funds of the Treasury.

1. *Medical care.*—As part of the home, there is a hospital which cares for the daily average patient load as shown below. In addition, certain members receive specialized care at other hospitals.

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Patients in home hospital	348	375	393	400
Patients in other hospitals	76	73	74	75

2. *Domiciliary activities.*—The daily average number of members receiving domiciliary care is—1957, 1,245; 1958, 1,364; 1959, 1,425; 1960, 1,470.

3. *Administration and central services.*—Included in this activity are service functions such as administration, supply, utility services, maintenance, transportation, and laundry.

4. *Permanent improvements.*—Funds are included for final design and construction of a 512-bed domiciliary building and for final design and expansion of the hospital ward wing to accommodate 70 additional patients.

Object Classification

	1958 actual	1959 estimate	1960 estimate
UNITED STATES SOLDIERS' HOME			
Total number of permanent positions	1,012	1,000	1,023
Full-time equivalent of all other positions	10	11	11
Average number of all employees	976	984	1,005
Number of employees at end of year	1,031	1,033	1,052
Average GS grade and salary	3.6 $3,880	3.6 $4,100	3.5 $4,075
Average salary of ungraded positions	$2,785	$2,790	$2,775
01 Personal services:			
Permanent positions	$3,122,191	$3,348,449	$3,409,942
Positions other than permanent	52,254	57,526	57,526
Other personal services	91,998	98,275	113,532
Total personal services	3,266,443	3,504,250	3,581,000
02 Travel	771	565	565
03 Transportation of things	1,040	500	500
04 Communication services	13,775	13,610	13,610
05 Rents and utility services	84,402	84,360	88,510
06 Printing and reproduction	3,498	3,650	3,650
07 Other contractual services	414,743	429,444	485,378
08 Supplies and materials	894,221	997,139	1,045,092
09 Equipment	71,634	122,070	70,195
10 Lands and structures	62,188	54,402	93,456
11 Grants, subsidies, and contributions	173,561	197,802	207,800
15 Taxes and assessments	1,376	800	1,500
Subtotal	4,987,652	5,408,592	5,591,256
Deduct quarters, subsistence, and laundry	142,262	136,800	136,800
Total, United States Soldiers' Home	4,845,390	5,271,792	5,454,456

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO CORPS OF ENGINEERS, ARMY			
Total number of permanent positions	2	10	7
Average number of all employees	2	10	7
Number of employees at end of year	1	10	7
Average GS grade and salary	7.4 $5,552	7.3 $6,129	7.3 $6,155
Average salary of ungraded positions	$5,026	$5,166	$5,202
01 Personal services:			
Permanent positions	$13,224	$71,200	$51,400
Other personal services	51	1,100	900
Total personal services	13,275	72,300	52,300
07 Other contractual services	29,351	131,100	167,700
08 Supplies and materials	86		
10 Lands and structures	1,710,960	136,000	5,375,765
11 Grants, subsidies, and contributions	863	4,600	3,400
Total, Corps of Engineers, Army	1,754,535	344,000	5,599,165
Total obligations	6,599,925	5,615,792	11,053,621

[ADMINISTRATION,] RYUKYU ISLANDS, *ARMY*

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 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] *of* individuals not to exceed ten in number; not to exceed [$1,500] *$4,000* 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] *three* passenger motor vehicles for replacement only; [repair] *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; [$2,830,000] *$6,282,000,* of which not to exceed [$1,530,000] *$1,633,000* shall be available for administrative and information 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, 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

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[ADMINISTRATION,] RYUKYU ISLANDS, *ARMY*—Continued

Current authorizations—Continued

ADMINISTRATION—Continued

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, 1959.*)

Appropriated 1959, **$2,830,000** Estimate 1960, **$6,282,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration	$1,433,505	$1,562,000	$1,633,000
2. Construction of facilities			300,000
3. Exchange of persons	202,774	215,000	264,000
4. Aid to Ryukyuan economy	854,501	1,085,000	4,085,000
Total obligations	2,490,780	2,862,000	6,282,000
Financing:			
Unobligated balance no longer available	32,220		
New obligational authority	2,523,000	2,862,000	6,282,000
New obligational authority:			
Appropriation	$2,523,000	$2,830,000	$6,282,000
Proposed supplemental due to pay increases		32,000	

This appropriation provides for administering the Ryukyu Islands through a civil administration headed by a High Commissioner. The United States is empowered by the treaty of peace with Japan to exercise jurisdiction over the territory and its 830,000 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. Since a system of military bases and other installations pertinent to the defense of the Pacific area has been developed in these islands which 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, a motor park is to be constructed, and replacement of three cultural centers is to be initiated in 1960.

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 and Hawaii.

4. *Aid to Ryukyuan economy.*—Technical assistance is furnished for the education program in the Ryukyus. Grants are made to supplement revenues of the local government in meeting costs of essential public safety and public health services, and in constructing public facilities. Grants were $770,000 in 1958, $1,000,000 in 1959, and $4,000,000 is proposed in 1960. Additional economic aid is furnished by the United States through the general fund of the civil administration and through other programs. In 1958, the latter included $865,256 from the military construction project for resettlement of persons displaced from land taken for military use and $1,984,106 derived from surplus rice and foreign currency allocated by the International Cooperation Administration, without reimbursement, to assist in typhoon relief and reconstruction. In 1959, approximately $950,000 of resettlement project funds and $2,800,000 derived from allocations of surplus rice and foreign currency are available for expenditure. No further economic aid from these sources is programed.

The general fund of the civil administration is available, in addition to this appropriation, for economic assistance and development in the Ryukyus and receives income from business-type instrumentalities and from investments in financial and public-utility organizations. Summary statements of assets and cash receipts and expenditures of the general fund of the United States civil administration follow:

FINANCIAL CONDITION

	1958 actual	*1959 estimate*	*1960 estimate*
Assets:			
Current assets: Cash	$1,379,382	$1,963,049	$684,049
Investments:			
Petroleum distribution fund	479,086	314,086	314,086
Rice distribution fund	4,706,331	3,048,331	2,993,331
Ryukyu Electric Power Corp	7,580,679	9,813,679	13,003,679
Ryukyu Domestic Water Corp		1,284,000	2,342,000
Ryukyu reconstruction finance fund	20,863,604	22,572,604	24,409,604
Okinawa Housing Corp	2,269,948	2,014,280	1,758,949
Ryukyu Warehouse Co	433,749	378,749	323,749
Bank of Ryukyus	127,500	127,500	127,500
Ryukyu Life Insurance Co	5,555	5,555	5,555
Fixed assets:			
Petroleum facilities	1,702,962	1,761,962	1,781,962
Refrigeration plant	991,000	991,000	991,000
Net worth, United States civil administration	40,539,796	44,274,795	48,735,464

The investments in business enterprises represent the total capital of these organizations, except the bank and the 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 substantially higher actual value because of accumulated earnings and established earning capacity. In the wholly owned enterprises, the stated investment has been adjusted each year to reflect the net book value. The housing corporation and the warehouse company operate at a loss. When disposal of these two enterprises is feasible on reasonable terms, their liquidation is planned. Similarly, the investment in a refrigeration plant, presently leased for a nominal rental return, is also planned to be liquidated.

CASH RECEIPTS AND EXPENDITURES

	1958 actual	*1959 estimate*	*1960 estimate*
Receipts:			
Income from operations	$2,686,489	$2,959,000	$2,721,000
Liquidation of investments	567,913	1,854,667	85,000
Total receipts	3,254,402	4,813,667	2,806,000
Expenditures:			
Investments:			
Fixed assets: Petroleum facilities	300,860	74,000	50,000
Rice distribution fund	1,705,765		
Capital, Ryukyu Electric Power Corp	183,613	520,000	590,000
Capital, Ryukyu Domestic Water Corp		834,000	908,000
Capital, Ryukyu reconstruction finance fund	1,514,795	1,709,000	1,837,000
Other investments	11,777		
Total investments	3,716,810	3,137,000	3,385,000
Economic-aid programs:			
Grants to government, Ryukyu Islands	1,714,445		500,000
Grants to municipalities	76,000	499,000	200,000
Grants for public housing		594,000	
Typhoon relief program	250,000		
Other expense	9,296		
Total aid programs and expense	2,049,741	1,093,000	700,000
Total expenditures	5,776,551	4,230,000	4,085,000
Net increase or decrease (−) in cash balance	−2,512,149	583,667	−1,279,000

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Income from operations is derived primarily from the net earnings of the electric power corporation and the reconstruction finance fund, from the purchase and resale of petroleum products, and from interest receipts.

Receipts from liquidation of investments represent reductions in the working capital used in financing the supply of rice and petroleum products. The water corporation began operations in 1959. Its earnings and those of the electric power corporation and the reconstruction finance fund are being reinvested within the respective corporations each year. In addition, the stated investments in the electric power corporation and the water corporation are being increased by the amounts expended from the appropriations in 1958 and 1959 for construction of power systems and water systems. Additional capital is being invested in the water corporation in 1959 and 1960 for the expansion of the water system for central Okinawa. Capital is being invested each year in the reconstruction finance fund, a major source of long-term credit to assist in continued economic development by local enterprise and in financing the construction of typhoon-resistant private housing. Grants are made to the local central government and to municipalities for essential public facilities and programs. The cash balance retained in the fund is available to meet contingent requirements, including relief and reconstruction measures in the event of a serious emergency, such as a typhoon.

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 income and excise taxes, this 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. This government 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 follows:

RECEIPTS AND EXPENDITURES AND BALANCE AVAILABLE, GOVERNMENT OF THE RYUKYU ISLANDS

	1958 actual	*1959 estimate*	*1960 estimate*
Unexpended cash balance brought forward	$5,592,176	$3,520,933	$2,691,971
Receipts:			
Income taxes	5,554,589	4,916,667	4,815,883
Excise taxes	10,457,362	12,884,475	12,924,133
Other receipts	2,081,219	2,053,608	2,112,409
United States assistance:			
Grants from appropriations	770,000	1,000,000	4,000,000
Other United States funds	1,714,445	----------	500,000
Total receipts	20,577,615	20,854,750	24,352,425
Total receipts and balance	26,169,791	24,375,683	27,044,396
Expenditures:			
Education	6,904,482	6,624,671	7,563,325
Public health and welfare	3,351,372	3,346,868	4,182,370
Public safety	1,391,402	1,672,775	1,572,871
Public work and services	3,843,286	2,843,994	3,732,624
Economic development	3,401,662	3,121,250	3,136,192
General government	3,756,654	4,074,154	3,981,764
Total expenditures	22,648,858	21,683,712	24,169,146
Balance carried forward:			
Obligated	3,259,804	3,292,710	3,425,500
Unobligated	261,129	−600,739	−550,250
Total cash balance carried forward	3,520,933	2,691,971	2,875,250

Object Classification

	1958 actual	1959 estimate	1960 estimate
ADMINISTRATION			
Total number of permanent positions	397	400	409
Full time equivalent of all other positions	1	1	1
Average number of all employees	371	381	404
Number of employees at end of year	359	398	405

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ADMINISTRATION—continued			
Average GS grade and salary	8.8 $6,304	8.9 $6,975	8.9 $6,991
01 Personal services:			
Permanent positions	$1,047,004	$1,145,615	$1,253,440
Positions other than permanent	1,023	13,000	13,000
Other personal services	78,195	15,615	13,830
Total personal services	1,126,222	1,174,230	1,280,270
02 Travel	51,642	73,370	89,618
03 Transportation of things	11,555	7,085	7,215
04 Communication services	45,372	16,522	18,300
05 Rents and utility services	8,246	9,200	10,100
06 Printing and reproduction	9,357	12,487	14,621
07 Other contractual services	338,229	396,840	417,391
08 Supplies and materials	26,144	48,588	47,335
09 Equipment	25,672	35,748	30,100
10 Land and structures	----------	----------	300,000
11 Grants, subsidies, and contributions	821,079	1,060,686	4,065,640
15 Taxes and assessments	1,249	1,444	1,410
Total administration	2,464,767	2,836,200	6,282,000
ALLOCATION ACCOUNTS			
02 Travel	2,787	----------	----------
03 Transportation of things	1,306	2,580	----------
07 Other contractual services	13,288	8,256	----------
08 Supplies and materials	6,670	12,642	----------
09 Equipment	1,962	2,322	----------
Total, allocation accounts	26,013	25,800	----------
Total obligations	2,490,780	2,862,000	6,282,000
Obligations are distributed as follows:			
Ryukyu Islands, Army	$2,464,767	$2,836,200	$6,282,000
United States Information Agency	13,636	25,800	----------
Department of Health, Education, and Welfare	5,652	----------	----------
Department of Labor	6,725	----------	----------

[CONSTRUCTION OF WATER SYSTEM, 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; and hire of passenger motor vehicles and aircraft; $600,000, 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, 1959.*)

Appropriated 1959, **$600,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction, installation, and equipment of water system (total obligations)	----------	$450,000	$150,000
Financing:			
Unobligated balance brought forward	----------	----------	−150,000
Unobligated balance carried forward	----------	150,000	----------
Appropriation (new obligational authority)	----------	600,000	----------

A dam and pumping station are under construction together with a supply line to provide an additional source of water to the civil population, and are expected to be in operation by July 1, 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Land and structures	----------	$450,000	$150,000

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[ADMINISTRATION,] RYUKYU ISLANDS
ARMY—Continued

Current authorizations—Continued

CONSTRUCTION OF POWER SYSTEMS, RYUKYU ISLANDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of transmission line and substations (total obligations)	$1,247,048	$265,952	
Financing:			
Unobligated balance brought forward		−265,952	
Unobligated balance carried forward	265,952		
Appropriation (new obligational authority)	1,513,000		

A transmission line, including 4 substations, is under construction and is expected to be in operation by June 30, 1959. A 1959 supplemental appropriation of $10 million is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
RYUKYU ISLANDS, ARMY			
10 Lands and structures	$1,239,449	$235,952	
ALLOCATION TO ARMY			
Total number of permanent positions	4	6	
Average number of all employees	2	6	
Number of employees at end of year	6	6	
Average GS grade and salary	7.6 $5,635	7.6 $6,207	
01 Personal services: Permanent positions	$7,599	$30,000	
Total obligations	1,247,048	265,952	

Proposed for later transmission:

CONSTRUCTION OF POWER SYSTEMS, RYUKYU ISLANDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of power systems (total obligations)		$200,000	$7,400,000
Financing:			
Unobligated balance brought forward			−9,800,000
Unobligated balance carried forward		9,800,000	2,400,000
Proposed supplemental appropriation		10,000,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated for 1959 for construction of a new generating plant with related facilities in order to provide for essential power requirements on Okinawa.

THE PANAMA CANAL

Current authorizations:

CANAL ZONE GOVERNMENT

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; *72 Stat. 327*); 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; [$17,000,000] *$18,934,000: Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $18,934,000.* (*2 C. Z. Code, sec. 5; 64 Stat. 1038; Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$17,000,000** Estimate 1960, **$18,934,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Civil functions:			
(a) Customs and immigration	$417,006	$463,800	$470,700
(b) Postal service	1,060,839	1,156,300	1,182,600
(c) Police protection	1,574,078	1,778,500	1,824,200
(d) Fire protection	1,019,307	1,014,200	1,047,700
(e) Judicial system	66,510	71,400	69,500
(f) Education	3,331,397	4,044,200	4,150,300
(g) Public areas and facilities	1,311,931	1,467,400	1,553,000
(h) Library	101,642	111,000	119,700
(i) Internal security	103,984	118,900	121,000
(j) Other civil affairs	105,551	124,200	181,300
2. Health and sanitation:			
(a) Hospitals and clinics	5,591,389	6,343,800	6,576,400
(b) Other public health services	760,487	839,300	928,900
3. General government expense:			
(a) Office of the Governor	73,839	59,500	76,600
(b) Other general government expense	1,965,975	1,438,300	1,655,900
Total program costs	17,483,935	19,030,800	19,957,800
Unfunded adjustments to total operating costs:			
Depreciation included above on facilities and equipment capitalized under capital outlay appropriation (−)	−995,945	−982,800	−1,023,800
Other costs included above (−)	−6,037		
Total program costs, funded	16,481,953	18,048,000	18,934,000
4. Relation of costs to accrued expenditures: Costs financed from accrued expenditures of other years, net (−)	−125,849		
Total accrued expenditures	16,356,104	18,048,000	18,934,000
Unpaid undelivered orders brought forward	−52,253	−108,549	−93,549
Adjustment of unpaid undelivered orders brought forward	40,727		
Unpaid undelivered orders carried forward	108,549	93,549	93,549
Total program (obligations)	16,453,127	18,033,000	18,934,000
Financing:			
Unobligated balance no longer available	15,373		
New obligational authority	16,468,500	18,033,000	18,934,000
New obligational authority:			
Appropriation	$16,468,500	$17,000,000	$18,934,000
Proposed supplemental due to pay increases		1,033,000	

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 the Treasury as miscellaneous receipts. Such recoveries are derived from revenues from individuals and agencies served and the balance from the Panama Canal Company, as follows (exclusive of further supplementary requirement for 1959 amounting to $149,000 which is shown under Proposed for later transmission):

	1958 actual	*1959 estimate*	*1960 estimate*
Appropriations:			
Current or requested	$16,468,500	$17,000,000	$18,934,000
Supplemental requirements included in 1959 estimates		1,033,000	
Total appropriations	16,468,500	18,033,000	18,934,000
Repayments to Treasury (including depreciation):			
Revenue:			
Hospitals and clinics	3,044,326	3,223,500	3,194,000
Education	1,732,245	2,111,200	2,129,200
Postal service	837,751	950,000	955,000
Fire protection	655,959	579,000	598,300
All others	476,460	468,400	473,100
Total revenue	6,746,741	7,332,100	7,349,600
Net costs reimbursable by Panama Canal Company	10,737,194	11,698,700	12,608,200
Total repayable to Treasury	17,483,935	19,030,800	19,957,800

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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.

WORKLOAD

	1958 actual	*1959 estimate*	*1960 estimate*
Airmail dispatched (pounds)	199,467	210,000	217,000
Airmail received (pounds)	280,381	282,000	286,000
Surface mail dispatched (pounds)	402,524	445,000	450,000
Surface mail received (sacks)	66,807	65,000	65,000

(*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.*—All fire fighting facilities in the Canal Zone except those required for aircraft crash fires and fires aboard naval vessels and in ammunition depots are consolidated under the Canal Zone Government.

(*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, certain residents of Panama. There are two school systems: one for United States citizens, the other, which is conducted in the Spanish language, for Panamanians and other noncitizens. Specialized facilities for handicapped children were started in 1958.

ENROLLMENT DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Citizen schools	7,143	7,091	7,131
Noncitizen schools	3,942	3,947	3,769
Total	11,085	11,038	10,900

(*g*) *Public areas and facilities.*—This includes the cleaning, lighting, and maintenance of streets and highways; maintenance of sewers, and care of public areas within the Canal Zone, not including military reservations.

(*h*) *Library.*—This provides for the operation of public library facilities for residents of the Canal Zone 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, civil defense activities, and supervision of the civil functions program.

2. *Health and sanitation*—(*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)

	1958 actual	*1959 estimate*	*1960 estimate*
Gorgas hospital	271.8	270.0	260.0
Coco Solo hospital	96.6	90.0	80.0
Corozal hospital	248.0	248.0	230.0
Palo Seco leprosarium	118.8	120.0	120.0
	735.2	728.0	690.0

(*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; inspection of food processing establishments; and 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 expenses of the office of the Governor and his residence, the office of the Executive Secretary, and, in 1960, provision for certain contingencies.

(*b*) *Other general government expense.*—This includes the Canal Zone Government's share of the cost of general and administrative expenses provided by the Panama Canal Company which the Canal Zone 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 1958 net writeoffs of prior capitalizations and abandoned construction work amounted to $6,037. Such items consist principally of the costs of engineering studies, designs and specifications in connection with abandoned construction projects.

4. *Relation of costs to accrued expenditures.*—This year, for the first time, this account includes a limitation on annual accrued expenditures in accordance with Public Law 85–759, approved August 25, 1958. The relationship is derived from year-end balances of accrued resources as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Accrued resources at end of year:				
Stores (goods unconsumed by projects)	$125,511	$137,382	$137,382	$137,382
Accrued annual leave (leave earned and not yet taken by employees) charged to activity costs (−)	−1,626,179	−1,763,899	−1,763,899	−1,763,899
Total accrued resources at end of year	−1,500,668	−1,626,517	−1,626,517	−1,626,517
Accrued resources at start of year		1,500,668	1,626,517	1,626,517
Costs financed from accrued expenditures of other years, net (−)		−125,849	.....	.....

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions:						
U. S. rates		1,211		1,244		1,255
Military rates		20		19		19
Canal Zone rates		1,209		1,231		1,234
Full-time equivalent of all other positions:						
U. S. rates		37		40		39
Canal Zone rates		45		44		39
Average number of all employees:						
U. S. rates		1,198		1,239		1,268
Military rates		20		19		19
Canal Zone rates		1,254		1,275		1,283
Number of employees at end of year:						
U. S. rates		1,255		1,370		1,382
Military rates		20		19		19
Canal Zone rates		1,334		1,338		1,333
Average salaries and grades:						
GS grades: U. S. rates: Average salary and grade	6.0	$6,613	7.1	$7,360	7.2	$7,388
Postal field service grades: U. S. rates: Average salary and grade	4.7	$5,800	4.8	$6,401	4.8	$6,415
Grades established for policemen: U. S. rates		$6,044		$6,831		$6,826

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THE PANAMA CANAL—CONTINUED

Current authorizations—Continued

CANAL ZONE GOVERNMENT—Continued

OPERATING EXPENSES—continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Grades established for firemen: U. S. rates	$6,831	$7,429	$7,429
Grades established for teachers: U. S. rates	$6,455	$7,464	$7,428
Average salary of ungraded positions:			
U. S. rates	$5,131	$5,888	$5,888
Canal Zone rates	$1,579	$1,620	$1,677
01 Personal services:			
Permanent positions:			
U. S. rates	$7,913,219	$8,638,226	$8,853,145
Military rates	201,611	217,725	217,725
Canal Zone rates	1,908,805	1,993,737	2,069,965
Positions other than permanent:			
U. S. rates	235,325	287,743	276,263
Canal Zone rates	71,559	70,781	64,681
Other personal services:			
U. S. rates	384,936	427,809	468,663
Canal Zone rates	140,842	139,879	140,258
Total personal services:			
U. S. rates	8,533,480	9,353,778	9,598,071
Military rates	201,611	217,725	217,725
Canal Zone rates	2,121,206	2,204,397	2,274,904
02 Travel	385,456	474,200	506,500
03 Transportation of things	272,739	316,000	319,000
04 Communication services	73,047	80,900	81,000
05 Rents and utility services	79,709	101,800	103,900
06 Printing and reproduction	76,856	52,400	85,100
07 Other contractual services	2,629,913	3,120,700	3,380,700
08 Supplies and materials	1,290,193	1,256,900	1,366,100
09 Equipment	12,932	7,800	7,800

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$493,599	$578,600	$735,000
12 Pensions, annuities, and insurance claims	161,356	146,700	137,100
13 Refunds, awards, and indemnities	1,808	1,800	1,800
14 Interest	112,550	112,800	112,800
15 Taxes and assessments	6,672	6,500	6,500
Total obligations	16,453,127	18,033,000	18,934,000

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 [twelve] *ten* passenger motor vehicles *for police-type use without regard to the general purchase price limitation for the current fiscal year*, of which [eight] *six* are for replacement only; and expenses incident to the retirement of such assets; [$3,100,000] *$3,096,000*, to remain available until expended: *Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $3,261,700: Provided further, That not to exceed $225,000 of either limitation on annual accrued expenditures herein made for the Canal Zone Government may be transferred to the other such limitation of the Canal Zone Government, but no limitation shall be increased or decreased by more than $225,000 as a result of such transfers. (2 C. Z. Code secs. 3, 5, 16; 63 Stat. 600; 64 Stat. 1038; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriation 1959, **$3,100,000** Estimate 1960, **$3,096,000**

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			Appropriation required to complete
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1960	
Program by activities:									
1. Civil functions:									
(a) Replacements, additions, and renewals of equipment	$358,407	$34,831	$54,843	$114,833	$145,300	$8,600	$8,600	$145,300	
(b) Police protection:									
(1) Improvements and rehabilitations, Canal Zone penitentiary	16,500				16,500			16,500	
(c) Education:									
(1) Improvements, additions, and replacements to school plant	215,195	16,546	24,541	65,608	107,000	1,500	1,500	107,000	
(2) Improvements, additions, and replacements to physical education and recreation facilities	300,440	50,500	94,979	21,361	124,000	9,600	9,600	124,000	
(3) Junior high school plant, Diablo Heights	679,000			15,000	100,000		564,000	664,000	
(4) Construct elementary school, Los Rios	414,000			5,000	409,000			409,000	
(5) Construct elementary school, Diablo Heights	368,000			10,000	358,000			358,000	
(6) Replacement of facilities to be transferred to Republic of Panama (lost as a result of treaty commitments): school facilities	2,405,000			2,000,000	405,000	405,000			
(d) Public areas and facilities:									
(1) Additions and replacements to municipal systems	236,604	4,651	66,784	63,969	98,000	3,200	3,200	98,000	
(2) Road and street replacements	526,692	291,168	52,676	64,848	70,000		48,000	118,000	
(3) Sewage disposal program Pacific side	940,000	241,741	54,777	31,482	190,000	526,800	336,800		$85,200
(4) Community recreational facilities program	45,000			2,000	43,000	4,000		39,000	
(e) Prior year projects	1,162,655	298,136	89,195	752,324	23,000	23,000			
2. Health and sanitation:									
(a) Replacements, additions, and renewals of equipment	537,303	72,856	148,224	190,223	111,000	15,000	15,000	111,000	
(b) Hospitals and clinics:									
(1) New Gorgas Hospital	8,836,000			65,000	550,000			550,000	8,221,000
(2) Rehabilitate cold storage plant, Coco Solo Hospital	14,600				14,600			14,600	
(3) Rehabilitate wiring, building No. 20 and basement of building No. 18, Palo Seco Leprosarium	3,400				3,400			3,400	
(c) Prior year projects	651,044	60,269	71,984	354,091	164,700	164,700			

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Program and Financing—Continued

	Costs to this appropriation					Analysis of 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1960	Appropriation required to complete
Program by activities—Continued									
3. General government:									
(a) Replacements, additions, and renewals of equipment	$83,584	$1,210	$22,020	$20,354	$40,000			$40,000	
(b) Other general government:									
(1) Quarters replacement program, Pacific side	1,570,000				255,000		$10,000	265,000	$1,305,000
(2) Alterations, replacements, or improvements to government buildings	292,139	26,632	126,783	18,724	113,000	$20,000	7,000	100,000	
(3) Advance planning of future projects	67,000	7,717	14,404	24,879	20,000			20,000	
(4) Minor capital additions and replacements	63,254	4,078	5,222	33,954	20,000			20,000	
(5) Retirement and removal costs	24,287	315	2,757	11,215	10,000			10,000	
(c) Prior year projects	24,998	768	15,877	8,353					
4. Undistributed reduction based on anticipated delays and savings					−128,800		12,000	−116,800	116,800
Total accrued expenditures	19,835,102	1,111,418	845,066	3,873,218	3,261,700	1,181,400	1,015,700	3,096,000	9,728,000
Unpaid undelivered orders brought forward			−200,930	−799,292	−503,200				
Unpaid undelivered orders carried forward			799,292	503,200	609,900				
Total program (obligations)			1,443,428	3,577,126	3,368,400				
Financing:									
Unobligated balance brought forward			−1,598,754	−1,155,326	−678,200				
Unobligated balance carried forward			1,155,326	678,200	405,800				
Appropriation (new obligational authority)			1,000,000	3,100,000	3,096,000				

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 1960 are: (*a*) conversion of Diablo Heights elementary school plant to a junior high school and construction of a new elementary school at Diablo Heights and another at Los Rios; (*b*) continuation of the Pacific-side sewage disposal program; (*c*) designs, plans and other work preliminary to construction of a new and modern medical center to partially replace the present Gorgas Hospital; (*d*) beginning of a Pacific-side quarters replacement program; and (*e*) continuing projects among which are additions and replacements to municipal systems, road and street replacements, and additions and renewals of equipment.

This year, for the first time, this account includes a limitation on annual accrued expenditures in accordance with Public Law 85-759, approved August 25, 1958.

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$28,904	$135,379	$635,000
09	Equipment	228,126	441,778	344,500
10	Lands and structures	1,186,398	2,999,969	2,388,900
	Total obligations	1,443,428	3,577,126	3,368,400

Panama Canal Company

[Panama Canal Bridge]

[For expenses necessary for 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), $19,250,000, to remain available until expended.] *(70 Stat. 596; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$19,250,000**

Program and Financing

	Costs to this appropriation		
	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Investigation, design, and supervision	$159,618	$429,437	$250,000
2. Construction		1,170,945	3,770,000
Total program costs	159,618	1,600,382	4,020,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	457,437	4,227,563	7,980,000
Total program (obligations)	617,055	5,827,945	12,000,000
Financing:			
Unobligated balance brought forward		−132,945	−13,555,000
Unobligated balance carried forward	132,945	13,555,000	1,555,000
Appropriation (new obligational authority)	750,000	19,250,000	

A $750,000 supplemental appropriation was enacted in 1958 and an appropriation of $19,250,000 was enacted in 1959 to provide for the $20,000,000 cost of constructing a high-level bridge across the Panama Canal at Balboa, Canal Zone, as authorized and directed by the act of July 23, 1956 (ch. 665, 70 Stat. 596). Construction of the bridge will fulfill the United States commitment to the Republic of Panama under the terms of point 4 of the General Relations Agreement between the United States and Panama of May 18, 1942 (Executive Agreement Series 452), and of item 5 of the Memorandum of Understandings Reached, signed January 25, 1955.

1. In 1959, design work will be completed.

2. Construction work, which will start in 1959, will be completed in 1963.

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $457,437; 1959, $4,685,000; 1960, $12,665,000.

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THE PANAMA CANAL—Continued

Current authorizations—Continued

PANAMA CANAL COMPANY—Continued

[PANAMA CANAL BRIDGE]—continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures	$617,055	$5,827,945	$12,000,000

Public enterprise funds:

CORPORATION

The [following corporation] *Panama Canal Company* 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 [1959] *1960* for such corporation, except as hereinafter provided: (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

PANAMA CANAL COMPANY FUND

Program and Financing

	Costs			Obligations (capital outlay)		
	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Program by activities:						
Operating costs:						
1. Transit operations	$19,727,958	$19,643,700	$18,578,800			
2. Maritime services	5,562,117	5,481,300	5,580,400			
3. Employee services	18,580,727	18,343,600	18,309,400			
4. Transportation and utilities services	8,154,600	8,523,100	8,825,900			
5. Other supporting services	2,196,703	2,271,100	2,223,800			
6. General corporate expense:						
(a) Net cost of Canal Zone Government	10,737,194	11,698,700	12,608,200			
(b) Interest payable to Treasury	8,778,560	9,000,000	9,100,000			
(c) Other	7,754,205	8,607,500	8,516,000			
Transfer of assets to other Federal agencies	316,025					
Transfer of assets to the Republic of Panama	864,875	1,730,000	433,000			
Extraordinary payment to Civil Service Commission to cover retroactive contribution to retirement fund		5,000,000				
Total operating costs	82,672,964	90,299,000	84,175,500			
Unfunded adjustments to operating costs:						
Depreciation included above (−)	−5,262,336	−4,797,100	−5,090,500			
Amortization included above (−)	−277,506	−283,509	−232,000			
Other adjustments and writeoffs included above	27,245					
Change in reserve for locks overhaul	1,755,747	−830,300	−450,300			
Transfer of assets to other Federal agencies	−316,025					
Transfer of assets to the Republic of Panama	−864,875	−1,730,000	−433,000			
Total operating costs, funded	77,735,214	82,658,091	77,969,700			
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−596,769	−328,893				
Total operating program (obligations)	77,138,445	82,329,198	77,969,700			
Capital outlay: [1]						
1. Transit projects:						
(a) Conversion of locks to 60-cycle	46,453	2,853,481	10,000	$2,051,479	$848,455	$10,000
(b) Towing locomotives and cranes, locks		27,400	3,262,600		27,400	6,262,600
(c) Panama Canal improvements (capacity program)		723,000	5,316,000		7,158,000	3,716,000
(d) Replace tug, navigation division		100,000	1,100,000		1,150,000	50,000
(e) Channel improvements, Paraiso curve	684,027	1,096,419		947,372	833,074	
(f) Other transit projects	1,151,009	743,698	485,500	1,219,930	524,292	510,500
2. Maritime services projects	310,583	730,233	841,100	315,945	562,901	1,131,100
3. Employee services projects:						
(a) Quarters replacement program, Pacific side			500,000			1,070,000
(b) Other employee services projects	411,342	1,350,559	715,800	373,602	1,279,026	715,800
4. Transportation and utilities services projects:						
(a) Conversion of power system to 60-cycle	3,226,635	2,490,051	570,837	3,159,656	736,048	767,000
(b) Other transportation and utilities services projects	1,042,771	1,635,446	1,119,200	1,082,134	1,598,204	874,200
5. Other supporting services projects	337,041	687,443	504,800	346,272	632,643	504,800
6. General corporate projects	354,849	1,472,589	500,000	1,303,287	514,869	500,000
7. Acquisition of other assets	173,564	32,000	32,000	173,564	32,000	32,000
8. Undistributed reduction based on anticipated delays and savings			−1,800,000			−650,000
Total capital outlay costs and acquisition of other assets, funded	7,738,274	13,942,319	13,157,837			
9. Relation of costs to obligations: Obligations incurred for costs of other years, net	3,234,967	1,954,593	2,336,163			
Total capital outlay and acquisition of other assets (obligations)	10,973,241	15,896,912	15,494,000	10,973,241	15,896,912	15,494,000
Total program (obligations)	88,111,686	98,226,110	93,463,700			
Financing:						
Amounts becoming available: Revenue and receipts:						
Proceeds from sale of fixed assets	1,379,907	1,400,000	1,400,000			
Tolls at current rates	41,843,525	42,948,000	44,387,000			
Credit for tolls on U. S. Government vessels	990,481	1,000,000	1,000,000			
Miscellaneous transit revenue	3,694,093	3,631,000	3,648,000			
Sales of commodities	17,706,259	17,489,900	17,385,000			
Sales of services	18,876,253	19,400,700	19,663,500			
General corporate revenue	287,835	241,300	170,000			
General and administrative expense recovered from Canal Zone Government	750,000	750,000	750,000			
Credit for excess of market over book value of Canal Zone Government properties transferred to the Republic of Panama in accordance with 71 Stat. 509, deductible from liability to Treasury for net cost of Canal Zone Government	372,540	43,000	1,091,000			
Total amounts becoming available	85,900,893	86,903,900	89,494,500			
Unobligated balance brought forward:						
Cash	12,867,912	10,657,119				
Appropriation (emergency fund)	10,000,000	10,000,000	9,334,909			
Total amounts available	108,768,805	107,561,019	98,829,409			
Unobligated balance carried forward:						
Cash	−10,657,119					
Appropriation (emergency fund)	−10,000,000	−9,334,909	−5,365,709			
Financing applied to program	88,111,686	98,226,110	93,463,700			

[1] Excludes property transferred in without charge, net, as follows: 1958, $111,711; 1959, $3,050,000.

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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.

Budget program—1. *Transit operations.*—This is the primary program of the Company and comprises the transiting operations and the maintenance of the canal. The number and size of ships using the canal continue to increase more rapidly than anticipated with a corresponding increase in receipts from operations. Estimates for 1960 reflect reductions resulting from discontinuance of suction dredging in channel and harbor maintenance and nonrecurrence of 1959 expense incident to an experimental removal and overhaul of lock miter gates. Costs for these operations are shown in the following table:

	1958 actual	*1959 estimate*	*1960 estimate*
Maintenance of channels and harbors	$2,901,988	$2,974,200	$2,125,200
Navigation service and control	6,545,677	6,672,800	6,821,800
Locks operations	7,981,197	8,236,700	7,992,700
General canal expense	2,299,096	1,760,000	1,639,100
Total operating costs	19,727,958	19,643,700	18,578,800

The volume of traffic is shown by the following data:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected data on canal operations:				
Commercial vessel transits:				
Number of ships (over 300 net Panama Canal tons)	8,579	9,187	9,300	9,530
Tonnage (Panama Canal net)	43,714,264	47,821,171	49,150,000	50,582,000
Ships berthed	5,331	4,992	5,028	5,028
Tolls and toll credits at current rates	$39,653,520	$42,834,006	$43,948,000	$45,387,000
Other transit revenues	$3,897,309	$3,694,093	$3,631,000	$3,648,000

Capital outlay costs amount to $10,174,100 in 1960 and are mainly for (1) continuing canal improvements that are expected to accommodate projected traffic requirements for 1 or 2 decades, $5.3 million; (2) locks towing locomotives and cranes, $3.3 million; and (3) replacement of a tug, $1.1 million.

2. *Maritime services.*—These consist of vessel repair facilities, and harbor terminal and marine bunkering operations. Costs depend upon customer demand for service as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Vessel repair	$2,778,330	$2,494,600	$2,628,400
Harbor terminals	4,649,227	4,660,000	4,780,000
Hotel Washington	45,593	----------	----------
Total operating costs	7,473,150	7,154,600	7,408,400
Less intra-agency recoveries	1,911,033	1,673,300	1,828,000
Net operating costs	5,562,117	5,481,300	5,580,400

Capital outlay costs include $136,600 for routine replacement of equipment, $340,000 for replacement of a dock, and $257,000 for rehabilitation of a marine railway.

3. *Employee services.*—As shown below, these costs include housing, retail stores and related operations and service centers for eligible employees against whom charges are made to reimburse the Company. Estimated 1960 costs are slightly less than costs estimated in 1959 and those experienced in 1958.

	1958 actual	*1959 estimate*	*1960 estimate*
United States citizen housing	$1,567,388	$1,741,800	$1,761,000
Non-United States citizen housing	657,632	679,600	692,000
Retail stores and related operations	15,854,885	15,456,500	15,384,800
Service centers	3,285,927	3,223,100	3,240,700
Total	21,365,832	21,101,000	21,078,500
Less intra-agency recoveries	2,785,105	2,757,400	2,769,100
Net operating costs	18,580,727	18,343,600	18,309,400

Capital outlay costs include (1) $500,000 for starting a quarters replacement program, Pacific side; (2) $170,000 for construction of a theater; (3) $187,800 for replacement and addition of equipment; and (4) $358,000 for rehabilitation and modernization of other employee services facilities.

4. *Transportation and utilities services.*—Estimated 1960 gross costs of $13.8 million provide for rising wages, increasing costs of operating materials and supplies, and increased depreciation expense.

	1958 actual	*1959 estimate*	*1960 estimate*
Railroad	$1,473,237	$1,470,000	$1,520,000
Motor transportation	1,683,661	1,670,000	1,749,000
Steamship line	6,140,533	6,314,200	6,528,000
Power system	2,332,483	2,182,500	2,192,000
Communications system	512,716	538,500	565,200
Water system	1,184,257	1,210,300	1,209,100
Total	13,326,887	13,385,500	13,763,300
Less intra-agency recoveries	5,172,287	4,862,400	4,937,400
Net operating costs	8,154,600	8,523,100	8,825,900

Capital outlay costs total $1.7 million in 1960 and are mainly for (1) continuing the conversion of the power system to 60 cycles, $570,800; (2) replacing a portion of the trans-Isthmian telephone cable, $260,000; (3) replacing railroad rolling stock, $150,000; and (4) replacement of motor vehicles, $265,500.

5. *Other supporting services.*—Costs of this group follow:

	1958 actual	*1959 estimate*	*1960 estimate*
Tivoli guest house	$415,666	$425,400	$429,900
Printing plant	351,806	341,100	348,700
Grounds maintenance	1,021,602	1,029,900	1,062,800
Engineering and maintenance services	5,289,605	5,605,600	5,415,000
Supply operations	5,277,291	5,096,500	5,155,900
Total	12,355,970	12,498,500	12,412,300
Less intra-agency recoveries	10,159,267	10,227,400	10,188,500
Net operating costs	2,196,703	2,271,100	2,223,800

Capital outlay costs total $504,800 for 1960 and are for (1) rehabilitation of Tivoli guest house, $100,000, and (2) replacements and additions of equipment, $404,800.

6. *General corporate expense.*—This includes 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 includes virtually all general charges other than interest on the investment of the United States and the net cost of the Canal Zone Government. Increases estimated for 1959 and 1960 over 1958 are attributable principally to legislated pay increases, rising interest rates, and additional costs resulting from the Canal Zone Wage and Employment Practices Act.

	1958 actual	*1959 estimate*	*1960 estimate*
Net cost of Canal Zone Government	$10,737,194	$11,698,700	$12,608,200
Interest expense	8,778,560	9,000,000	9,100,000
Other general corporate expense	7,754,205	8,607,500	8,516,000
Total general corporate expense	27,269,959	29,306,200	30,224,200

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THE PANAMA CANAL—Continued

Public enterprise funds—Continued

PANAMA CANAL COMPANY—Continued

PANAMA CANAL COMPANY FUND—continued

Capital outlay costs amount to $500,000 in 1960 of which $180,000 is for the installation of air conditioning equipment in two Company office buildings and $320,000 is for advance planning of future projects, retirement and removal costs and minor additions and improvements.

7. *Relation of costs to obligations.*—The relationships for operating costs and for capital outlay are derived by year-end balances of selected resources and applicable adjustments as reflected in the following tables:

RELATION OF OPERATING COSTS TO OBLIGATIONS

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories	$7,928,134	$7,904,791	$7,730,000	$7,730,000
Other current assets	193,325	201,339	200,000	200,000
Unpaid undelivered orders (operations)	3,034,203	2,452,763	2,300,000	2,300,000
Total selected resources at end of year	11,155,662	10,558,893	10,230,000	10,230,000
Selected resources at start of year (−)		−11,155,662	−10,558,893	−10,230,000
Costs financed from obligations of other years, net (−)		−596,769	−328,893	

RELATION OF CAPITAL OUTLAY COSTS TO OBLIGATIONS

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (capital outlay)	$2,774,277	$6,009,244	$7,963,837	$10,300,000
Selected resources at start of year		−2,774,277	−6,009,244	−7,963,837
Obligations incurred for costs of other years, net		3,234,967	1,954,593	2,336,163

Financing.—The Company is authorized to obtain appropriations for its capital needs and to cover losses sustained in the conduct of its activities. It is expected that the foregoing budget programs will continue to be financed entirely from revenue. 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. An increase in the limitation on general and administrative expenses is anticipated under Proposed for later transmission.

Operating results and financial condition.—There will be a modest increase in retained earnings in 1959 and an increase estimated at $13,570,000 in 1960. This increase results primarily from the credits gained through the transfer of Panama Canal Company and Canal Zone Government properties to the Republic of Panama under terms of the 1955 treaty.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase, construction, or improvement of fixed assets	$7,738,274	$13,942,319	$13,157,837
Operations (including locks overhauls)	77,735,214	82,658,091	77,969,700
Increase in selected working capital		1,299,196	
Total gross expenditures	85,473,488	97,899,606	91,127,537
Receipts from operations (funds provided):			
Revenue and other receipts from all sources	85,900,893	86,903,900	89,494,500
Decrease in selected working capital	796,868		364,100
Total receipts from operations	86,697,761	86,903,900	89,858,600
Budget expenditures	−1,224,273	10,995,706	1,268,937

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Transit operations:			
Revenue	$46,528,099	$47,579,000	$49,035,000
Expense	19,727,958	19,643,700	18,578,800
Net operating revenue, canal operations	26,800,141	27,935,300	30,456,200
Supporting services:			
Maritime services:			
Revenue	6,360,015	6,481,300	6,580,400
Expense	5,562,117	5,481,300	5,580,400
Net operating revenue, maritime services	797,898	1,000,000	1,000,000
Employee services:			
Revenue	19,166,924	18,937,200	18,856,700
Expense	18,580,727	18,343,600	18,309,400
Net operating revenue, employee services	586,197	593,600	547,300
Transportation and utilities services:			
Revenue	8,485,204	8,885,600	9,127,700
Expense	8,154,600	8,523,100	8,825,900
Net operating revenue, transportation and utilities services	330,604	362,500	301,800
Other supporting services:			
Revenue	2,570,369	2,586,500	2,483,700
Expense	2,196,703	2,271,100	2,223,800
Net operating revenue, other supporting services	373,666	315,400	259,900
General corporate expense:			
Miscellaneous revenue	287,835	241,300	170,000
Assessment to Canal Zone Government	750,000	750,000	750,000
Net cost of Canal Zone Government (−)	−10,737,194	−11,698,700	−12,608,200
Interest (−)	−8,778,560	−9,000,000	−9,100,000
Other (−)	−7,754,205	−8,607,500	−8,516,000
Net general corporate expense	−26,232,124	−28,314,900	−29,304,200
Net operating income for the year	2,656,382	1,891,900	3,261,000
Nonoperating income and expense:			
Establishment of an operating reserve for estimated noncapital expenditures in connection with the 60-cycle conversion program	−4,000,000		
Profit on transfer of Panama Canal Company properties to the Republic of Panama (71 Stat. 509):			
Market value of properties transferred	4,820,000	5,075,000	9,651,000
Net book value of properties transferred	−864,875	−1,730,000	−433,000
Credit for excess over book value of Canal Zone Government properties transferred to the Republic of Panama in accordance with 71 Stat. 509, deductible from liability to Treasury for net cost of Canal Zone Government	372,540	43,000	1,091,000
Net nonoperating income for the year	327,665	3,388,000	10,309,000
Net income for the year	2,984,047	5,279,900	13,570,000
Analysis of retained earnings:			
Retained earnings, beginning of year	85,564,383	88,548,430	88,828,330
Payment to Civil Service Commission to cover prior years' retirement contribution for employees brought under civil service retirement by the Canal Zone Wage and Employment Practices Act, 1958 (72 Stat. 405)		−5,000,000	
Retained earnings, end of year	88,548,430	88,828,330	102,398,330

Financial Condition

Assets:			
Cash with Treasury and in banks	$30,755,252	$19,759,546	$18,490,609
Current notes receivable	1,069,500	1,069,500	1,069,500
Accounts receivable, net	3,338,982	3,350,000	3,350,000
Inventories, net	7,904,791	7,730,000	7,730,000
Other current assets	201,339	200,000	200,000
Long term notes receivable	2,139,000	1,069,500	
Properties, plant, and equipment, net	412,449,450	422,552,169	429,824,006
Other assets (deferred charges)	4,044,907	3,793,398	3,593,398
Total assets	461,903,221	459,524,113	464,257,513
Liabilities:			
Current	16,044,608	14,580,300	14,944,400

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Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Reserves:			
For periodic overhaul of canal locks	$1,448,531	$2,278,831	$2,729,131
For noncapital cost of power conversion	4,000,000	4,000,000	4,000,000
Total reserves	5,448,531	6,278,831	6,729,131
Government investment:			
Interest-bearing investment:			
Start of year	356,885,966	351,861,652	349,836,652
Transfers of assets from other Federal agencies	111,711	3,050,000	
Transfers of assets to other Federal agencies	−316,025		
Transfers of assets to Republic of Panama (market value)	−4,820,000	−5,075,000	−9,651,000
End of year	351,861,652	349,836,652	340,185,652
Retained earnings	88,548,430	88,828,330	102,398,330
Total Government investment	440,410,082	438,664,982	442,583,982

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury and in banks	$29,530,979	$30,755,252	$19,759,546	$18,490,609
Budget authorization	10,000,000	10,000,000	10,000,000	10,000,000
Total unexpended balance	39,530,979	40,755,252	29,759,546	28,490,609
Obligated balance, net:				
Current liabilities	15,876,000	16,044,608	14,580,300	14,944,400
Unpaid undelivered orders	5,808,480	8,462,007	10,263,837	12,600,000
Accounts and current notes receivable, net (−)	−5,021,413	−4,408,482	−4,419,500	−4,419,500
Total obligated balance	16,663,067	20,098,133	20,424,637	23,124,900
Unobligated balance	22,867,912	20,657,119	9,334,909	5,365,709

NOTE.—The Company has outstanding at all times 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.

LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES, PANAMA CANAL COMPANY

Not to exceed [$7,900,000] *$8,486,000* 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 [eighteen] *ten* passenger motor vehicles for replacement only, *including one at not to exceed $3,300*, 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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction	$600,970	$723,200	$726,200
2. Operations direction	494,663	585,700	592,800
3. Financial management	2,290,967	2,548,300	2,784,700
4. Personnel administration	594,866	656,600	742,300
5. General services	702,425	770,600	806,000
6. Employment costs:			
(*a*) Alien cash relief	1,867,919	1,859,100	1,712,700
(*b*) Employees' States travel	673,806	705,200	743,800
(*c*) Other	592,128	373,200	377,500
Total accrued general and administrative expenses	7,817,744	8,221,900	8,486,000
Financing:			
Unobligated balance no longer available	127,256		
Limitation	7,945,000	7,900,000	8,486,000
Proposed increase in limitation due to pay increases		321,900	

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions:			
United States and Haiti:			
U. S. rates	388	387	387
Local rates	10	10	10
Isthmus:			
U. S. rates	2,418	2,388	2,362
Military rates	6	7	6
Canal Zone rates	6,190	6,079	6,024
Full-time equivalent of all other positions:			
United States and Haiti: U. S. rates	26	25	26
Isthmus:			
U. S. rates	75	29	24
Canal Zone rates	2,115	1,870	1,772
Average number of all employees:			
United States and Haiti:			
U. S. rates	410	410	411
Local rates	10	10	10
Isthmus:			
U. S. rates	2,379	2,342	2,327
Military rates	6	7	6
Canal Zone rates	8,305	7,949	7,796
Number of employees at end of year:			
United States and Haiti:			
U. S. rates	394	377	377
Local rates	10	10	10
Isthmus:			
U. S. rates	2,468	2,409	2,414
Military rates	6	7	6
Canal Zone rates	9,159	8,634	8,616
Average GS grade and salary: U. S. rates:			
United States and Haiti	6.6 $4,964	6.6 $5,581	6.6 $5,581
Isthmus	7.2 $6,720	7.3 $7,466	7.4 $7,477
Average salary of ungraded positions:			
United States and Haiti:			
U. S. rates	$4,881	$4,914	$4,914
Local rates	$1,722	$1,740	$1,741
Isthmus:			
U. S. rates	$7,568	$7,986	$8,244
Canal Zone rates	$1,583	$1,595	$1,708
01 Personal services:			
Permanent positions:			
U. S. rates	$19,202,555	$19,985,620	$20,242,016
Military rates	59,530	78,394	71,530
Canal Zone rates	9,796,800	9,698,046	10,287,741
Local rates	17,219	17,400	17,410
Positions other than permanent:			
U. S. rates	663,698	352,668	325,186
Canal Zone rates	3,347,580	2,982,899	3,025,940
Other personal services:			
U. S. rates	2,500,441	1,839,460	1,792,848
Canal Zone rates	1,428,892	1,207,788	1,135,207
Local rates	2,023	2,600	1,800
Total personal services:			
U. S. rates	22,366,694	22,177,748	22,360,050
Military rates	59,530	78,394	71,530
Canal Zone rates	14,573,272	13,888,733	14,448,888
Local rates	19,242	20,000	19,210
Deduct portion not chargeable to limitation	33,252,726	32,195,775	32,775,178
Net personal services	3,766,012	3,969,100	4,124,500
02 Travel	869,775	916,300	958,200
03 Transportation of things	74,664	81,000	83,000
04 Communication services	53,006	55,600	56,600
05 Rents and utility services	119,492	139,300	176,400
06 Printing and reproduction	86,041	77,300	74,600
07 Other contractual services	409,040	528,100	636,300
08 Supplies and materials	100,724	112,600	115,900
09 Equipment	14,506	8,700	3,800
11 Grants, subsidies, and contributions	246,440	280,100	312,800
12 Pensions, annuities, and insurance claims	1,956,588	1,949,100	1,802,700
13 Refunds, awards, and indemnities	11,255	15,800	15,800
15 Taxes and assessments	10,562	5,000	5,000
Depreciation	99,639	83,900	120,400
Total accrued general and administrative expenses	7,817,744	8,221,900	8,486,000

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

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THE PANAMA CANAL—Continued

GENERAL PROVISIONS—THE PANAMA CANAL—Continued

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. [203] *202*. 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. (*Department of Commerce and Related Agencies Appropriation Act, 1959.*)

Proposed for later transmission:

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Civil functions:			
Police protection		$1,400	
Fire protection		23,200	
Education		3,400	
Library		1,300	
2. Health and sanitation:			
Hospitals and clinics		18,900	
Other public health services		2,000	
3. General government expense: Other general government expense		98,800	
Total (accrued expenditures—obligations)		149,000	
Financing:			
Proposed supplemental appropriation		149,000	

Under existing legislation, 1959.—A supplemental estimate of $149,000 is anticipated to provide for increased personal services and retirement contribution obligations resulting from the Canal Zone Wage and Employment Practices Act, 1958 (72 Stat. 405), and for additional overtime payments to firemen in accordance with 72 Stat. 363.

PANAMA CANAL COMPANY

LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES, PANAMA CANAL COMPANY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Operations direction		$1,700	
2. Financial management		94,400	
3. Personnel administration		59,300	
4. General services		9,000	
5. Employment costs: Alien cash relief		−29,700	
Total accrued general and administrative expenses		134,700	
Financing:			
Proposed supplemental increase in limitation		134,700	

Under existing legislation, 1959.—A proposed increase in limitation of $134,700 is anticipated for 1959 to provide for increased personal services and retirement contribution expenditures resulting from the Canal Zone Wage and Employment Practices Act, 1958 (72 Stat. 405). After the date when the act becomes effective, a reduction of $29,700 is estimated in the costs of alien cash relief payments during remainder of the fiscal year.

MISCELLANEOUS ACCOUNTS

Permanent authorizations:

PAYMENT TO CLAIMANTS, DISASTER AT TEXAS CITY, TEXAS, ARMY

(Indefinite)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)	$162,172	$100,000	$50,000
Financing:			
Unobligated balance brought forward	−11,788,566	−11,626,394	−11,526,394
Unobligated balance carried forward	11,626,394	11,526,394	11,476,394
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

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$162,172	$100,000	$50,000

WILDLIFE CONSERVATION, ETC., EGLIN FIELD RESERVATION, AIR FORCE

(Indefinite special fund)

Appropriated (estimate) 1959, **$26,075** Estimate 1960, **$26,075**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Conservation of game (total obligations)	$20,918	$26,400	$32,000
Financing:			
Unobligated balance brought forward	−16,040	−17,951	−17,626
Unobligated balance carried forward	17,951	17,626	11,701
Appropriation (new obligational authority)	22,829	26,075	26,075

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

	1958 actual	1959 estimate	1960 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 grade and salary	3.0 $3,708	3.0 $3,973	3.0 $4,077
Average salary of ungraded positions	$3,873	$3,856	$3,919

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Permanent positions	$15,268	$14,728	$15,513
Other personal services	59	57	120
Total personal services	15,327	14,785	15,633
02 Travel	50		
07 Other contractual services	3,172	6,065	6,000
08 Supplies and materials	1,390	4,619	9,384
11 Grants, subsidies, and contributions	979	931	983
Total obligations	20,918	26,400	32,000

Public enterprise funds:

Defense Production Guaranties, Army

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Administrative expenses	$47,976	$40,000	$30,000
Writeoff of loans receivable		200,000	500,000
Total operating costs	47,976	240,000	530,000
Unfunded adjustment to total operating costs: Writeoff of loans receivable (—)		−200,000	−500,000
Total operating costs, funded	47,976	40,000	30,000
Capital outlay: Loans purchased	372,527	130,000	80,000
Total program (costs—obligations)	420,503	170,000	110,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	587,575	500,000	170,000
Guaranty fees and interest on loans	190,280	120,003	90,000
Total amounts becoming available	777,855	620,003	260,000
Unobligated balance brought forward	1,918,075	2,275,427	2,725,430
Total amounts available	2,695,930	2,895,430	2,985,430
Unobligated balance carried forward	−2,275,427	−2,725,430	−2,875,430
Financing applied to program	420,503	170,000	110,000

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, retained to purchase loans when required under guaranty commitments and to cover possible future losses, are expected to be $4.6 million at the end of 1960. Of 683 loans authorized under this program since 1950, 33 were outstanding on June 30, 1958, in the amount of $18.5 million. Additional credit available thereunder was $11.4 million up to an authorized limit of slightly less than $30 million. It is anticipated that as of the end of 1959 and 1960 the number of loans outstanding will be 24 and 20 with outstanding balances thereunder of about $15 million and $12 million (50 U. S. C. app. 2091).

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$372,526	$130,000	$80,000
Expense	47,976	40,000	30,000
Increase in selected working capital	2,997		
Total gross expenditures	423,499	170,000	110,000

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Loans repaid	$587,575	$500,000	$170,000
Revenue	190,280	120,003	90,000
Decrease in selected working capital		2,997	
Total receipts from operations	777,855	623,000	260,000
Budget expenditures	−354,356	−453,000	−150,000

Revenue, Expense, and Retained Earnings

Revenue	$190,280	$120,003	$90,000
Expense	47,976	240,000	530,000
Net income for the year	142,304	−119,997	−440,000
Retained earnings, beginning of year	5,029,741	5,172,045	5,052,048
Retained earnings, end of year	5,172,045	5,052,048	4,612,048

Financial Condition

Assets:			
Cash with Treasury	$2,272,430	$2,725,430	$2,875,430
Cash on hand	2,997		
Loans receivable	2,896,618	2,326,618	1,736,618
Total assets	5,172,045	5,052,048	4,612,048
Government investment:			
Retained earnings	5,172,045	5,052,048	4,612,048

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$1,918,075	$2,272,430	$2,725,430	$2,875,430
Obligated balance, net:				
Cash on hand		−2,997		
Unobligated balance	1,918,075	2,275,427	2,725,430	2,875,430

NOTE.—United States share of guaranties and commitments outstanding are as follows: June 30, 1957, $30,378,028; 1958, $20,335,669; 1959 (est.), $16,200,000; and 1960 (est.), $13,300,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$47,976	$40,000	$30,000
16 Investments and loans	372,527	130,000	80,000
Total obligations	420,503	170,000	110,000

Defense Production Guaranties, Navy

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs: Administrative expenses	$62,850	$55,000	$50,000
Capital outlay: Loans purchased	15,988,857	7,005,000	5,005,000
Total program (costs—obligations)	16,051,707	7,060,000	5,055,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	10,383,320	8,294,000	4,803,000
Guaranty fees and interest on loans	941,305	595,000	408,000
Total amounts becoming available	11,324,625	8,889,000	5,211,000
Unobligated balance brought forward	5,594,088	867,006	2,696,006
Total amounts available	16,918,713	9,756,006	7,907,006
Unobligated balance carried forward	−867,006	−2,696,006	−2,852,006
Financing applied to program	16,051,707	7,060,000	5,055,000

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

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MISCELLANEOUS ACCOUNTS—Continued

Public enterprise funds—Continued

DEFENSE PRODUCTION GUARANTIES, NAVY—Continued

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, retained to purchase loans when required under guaranty commitments and to cover possible future losses, are expected to be $9.5 million at the end of 1960. Of 359 loans authorized under this program since 1950, 35 were outstanding on June 30, 1958, in the amount of $113.3 million. Additional credit available thereunder was $80.8 million up to an authorized limit of slightly over $194 million. It is anticipated that as of the end of 1959 and 1960 the number of loans outstanding will be 30 and 24 with outstanding balances thereunder of about $100 million and $80 million (50 U. S. C. app. 2091).

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$15,988,857	$7,005,000	$5,005,000
Expense	62,850	55,000	50,000
Increase in selected working capital	2,375,000		
Total gross expenditures	18,426,707	7,060,000	5,055,000
Receipts from operations (funds provided):			
Loans repaid	10,383,320	8,294,000	4,803,000
Revenue	941,305	595,000	408,000
Total receipts from operations	11,324,625	8,889,000	5,211,000
Budget expenditures	7,102,082	−1,829,000	−156,000

Revenue, Expense, and Retained Earnings

Revenue	$941,305	$595,000	$408,000
Expense	62,850	55,000	50,000
Net income for the year	878,455	540,000	358,000
Retained earnings, beginning of year	7,798,611	8,677,066	9,217,066
Retained earnings, end of year	8,677,066	9,217,066	9,575,066

Financial Condition

Assets:			
Cash with Treasury	$867,006	$2,696,006	$2,852,006
Loans receivable	7,810,060	6,521,060	6,723,060
Total assets	8,677,066	9,217,066	9,575,066
Government investment:			
Retained earnings	8,677,066	9,217,066	9,575,066

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$7,969,088	$867,006	$2,696,006	$2,852,006
Obligated balance, net:				
Current liabilities	2,375,000			
Unobligated balance	5,594,088	867,006	2,696,006	2,852,006

NOTE.—United States share of guaranties and commitments outstanding are as follows: June 30, 1957, $151,299,834; 1958, $125,808,498; 1959 (est.), $113,500,000; and 1960 (est.), $89,300,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$62,850	$55,000	$50,000
16 Investments and loans	$15,988,857	$7,005,000	$5,005,000
Total obligations	16,051,707	7,060,000	5,055,000

DEFENSE PRODUCTION GUARANTIES, AIR FORCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs: Administrative expenses	$115,592	$123,400	$125,000
Capital outlay: Loans purchased	5,019,387	11,766,000	
Total program (costs—obligations)	5,134,979	11,889,400	125,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	2,789,986	9,254,937	5,547,962
Guaranty fees and interest on loans	1,246,069	1,333,402	1,200,038
Total amounts becoming available	4,036,055	10,588,339	6,748,000
Unobligated balance brought forward	9,257,140	8,158,216	6,857,155
Total amounts available	13,293,195	18,746,555	13,605,155
Unobligated balance carried forward	−8,158,216	−6,857,155	−13,480,155
Financing applied to program	5,134,979	11,889,400	125,000

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, retained to purchase loans when required under guaranty commitments and to cover possible future losses, are expected to be $13.5 million at the end of 1960. Of 460 loans authorized under this program since 1950, 69 were outstanding on June 30, 1958, in the amount of $144.4 million. Additional credit available thereunder was $84.7 million up to an authorized limit of slightly under $230 million. It is anticipated that as of the end of 1959 and 1960 the number of loans outstanding will be 69 with outstanding balances thereunder of about $145 million (50 U. S. C. app. 2091).

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$5,019,387	$11,766,000	
Expense	115,592	123,400	$125,000
Increase in selected working capital	360,061		
Total gross expenditures	5,495,040	11,889,400	125,000
Receipts from operations (funds provided):			
Loans repaid	2,789,986	9,254,937	5,547,962
Revenue	1,246,069	1,333,402	1,200,038
Decrease in selected working capital		360,061	
Total receipts from operations	4,036,055	10,948,400	6,748,000
Budget expenditures	1,458,985	941,000	−6,623,000

Revenue, Expense, and Retained Earnings

Revenue	$1,246,069	$1,333,402	$1,200,038
Expense	115,592	123,400	125,000
Net income for the year	1,130,477	1,210,002	1,075,038
Retained earnings, beginning of year	10,064,638	11,195,115	12,405,117
Retained earnings, end of year	11,195,115	12,405,117	13,480,155

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Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$7,798,155	$6,857,155	$13,480,155
Cash on hand	360,061		
Loans receivable	3,036,899	5,547,962	
Total assets	11,195,115	12,405,117	13,480,155
Government investment:			
Retained earnings	11,195,115	12,405,117	13,480,155

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$9,257,140	$7,798,155	$6,857,155	$13,480,155

Status of Certain Fund Balances—Continued

	1957 actual	1958 actual	1959 estimate	1960 estimate
Obligated balance, net:				
Cash on hand		—$360,061		
Unobligated balance	$9,257,140	8,158,216	$6,857,155	$13,480,155

NOTE.—United States share of guaranties and commitments outstanding are as follows: June 30, 1957, $207,870,990; 1958, $166,999,511; 1959 (est.), $164,500,000; and 1960 (est.), $170,000,000.

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$115,592	$123,400	$125,000
16	Investments and loans	5,019,387	11,766,000	
	Total obligations	5,134,979	11,889,400	125,000

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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
CEMETERIAL EXPENSES, ARMY								
Salaries and expenses	2	$3,000	1		$3,000	12		Used at 7 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, ARMY								
All appropriations	171	253,080	171	$47,025	206,055	635	$304,760	Used by officers and civilian employees of the Corps of Engineers, Army, 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	5	9,750	5	1,650	8,100	45	28,700	
Ambulance						4	700	
Bus						2	1,800	
Total, rivers and harbors and flood control, Army.	176	262,830	176	48,675	214,155	686	335,960	
UNITED STATES SOLDIERS' HOME								
Limitation on maintenance and operation and capital outlay (trust fund).	1	1,450	1		1,450	10		Used by officers and employees of the United States Soldiers' Home in transaction of official business. Buses and ambulances used to transport patients and members of home.
Station wagon						1		
Ambulance	1	7,000	1		7,000	1		
Bus						2		
Total, United States Soldiers' Home.	2	8,450	2		8,450	14		
RYUKYU ISLANDS, ARMY								
Administration	1	1,500	1	50	1,450	19	3,300	Used by United States civil administration 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	3,900	2	150	3,750	2		
Total, Ryukyu Islands, Army.	3	5,400	3	200	5,200	21	3,300	
THE PANAMA CANAL								
CANAL ZONE GOVERNMENT								
Operating expenses, Capital outlay	10	25,500	6	1,800	23,700	21		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						8		For emergency and routine service in the Canal Zone.
Total, Canal Zone Government.	10	25,500	6	1,800	23,700	29		
PANAMA CANAL COMPANY								
United States							800	For transportation of general manager and personnel of the New York operation.
Isthmus	3	8,900	3	1,200	7,700	42		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	8,100	3	1,200	6,900	4		Primarily the same as above and generally for use to transport pilots to and from embarkation points.
Bus	4	24,000	4	4,000	20,000	19		Used primarily to transport children to and from school; also used for large field movement of employees.
Foreign countries (Haiti) Station wagon						1		Used by Company agent for official duties.
Total, Panama Canal Company.	10	41,000	10	6,400	34,600	66	800	
Total, Department of Defense—Civil Functions.	203	346,180	198	57,075	289,105	828	340,060	

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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)				
RIVERS AND HARBORS AND FLOOD CONTROL, ARMY								
All appropriations						4	$150,000	Used by Chief of Engineers and division engineers for expediting inspections and supervision of authorized projects 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

New obligational authority of $3,176 million is recommended for 1960 for the Department of Health, Education, and Welfare. This represents a net decrease of $52 million from 1959 but is an increase of $427 million over 1958.

Major decreases totaling $152 million result principally from the fact that (1) substantial amounts of 1959 appropriations will be available for obligation in 1960 in the program for hospital construction grants and (2) the financing of certain other projects will be completed in 1959 and new construction programs and grants for construction purposes are being restricted in line with the general policy on construction in this budget although expenditures will increase due to commitments made in prior years. The Congress, for antirecession purposes, increased 1959 appropriations available for hospital construction above the levels of the past several years. In light of the prospect of high economic activity, $85 million less in new obligational authority is being requested for 1960. Exclusive of Indian health facilities, nonrecurring direct construction accounts for $29 million of the decrease; waste treatment facilities construction grants for $25 million; and grants for the construction of research facilities for $10 million.

Significant increases totaling $110 million are provided in numerous programs, including (1) $61 million for public assistance and (2) $35 million for the defense education programs enacted by the last Congress as recommended by the Administration. The former increase primarily reflects the fact that this will be the first full year effect of legislation enacted in August 1958.

Not included in the figures discussed in this section of the budget is $192 million for salaries and expenses for the Bureau of Old-Age and Survivors Insurance, which is financed from trust funds. This Bureau is expected to employ about 40% of the approximately 60,400 personnel estimated in the 1960 budget for the Department of Health, Education, and Welfare.

The revised estimate of $3,228 million in new obligational authority for 1959 includes $258 million of supplemental appropriations for later transmission. These include $168 million for public assistance and $75 million for the new defense education program.

Expenditures by the Department in 1960 are estimated to be $3,140 million, an increase of $89 million from the 1959 estimate and $495 million more than was spent in 1958. Even though new appropriations for construction and construction grant programs in 1960 will be lower, expenditures will continue to increase because large balances from prior years will be used, as mentioned above.

About four-fifths of the appropriations for the Department in 1960 are for grants-in-aid to State and local governments. The President has endorsed the recommendations of the Joint Federal-State Action Committee that the programs for construction of waste treatment facilities and for vocational education be transferred to the States, coupled with appropriate adjustments in the Federal telephone tax to enable the States to carry on these activities in full. Legislation to accomplish this is recommended in this budget. The transfer would be effective with the beginning of 1961 and, accordingly, the resulting reductions in receipts and expenditures are not reflected in the 1960 estimates. Legislation will be proposed to reduce the Federal share for public assistance and to provide a more appropriate division of responsibility between the Federal Government and local school districts for the construction and operation of schools in federally affected areas.

The activities and expenditures of the Department in 1960 may be grouped in four major categories: Public assistance which represents 64% of the total; promotion of public health, 21%; promotion of education, 12%; and other activities, 3%.

Public assistance.—The Federal Government's role with respect to income maintenance is carried on primarily through the social security trust funds, particularly the Federal old-age, survivors, and disability insurance program. This program now provides protection against loss of income due to old-age retirement, disability, or death, and is financed from employment taxes which are transferred to the old-age, survivors, and disability insurance trust funds. These trust funds are discussed in part III of the budget, which also covers the income protection provided by the unemployment insurance trust fund.

The Federal Government also makes grants to the States, out of general revenues, for public assistance payments to the aged, the blind, the disabled, and for aid to dependent children. These payments are generally made to individuals who are not covered by the social security insurance program, although in some cases the public assistance payments supplement the benefits received from the insurance program. Federal expenditures for public assistance grants are estimated at $2 billion for 1960. This is 57% of the estimated total Federal-State-local outlay of $3.5 billion in 1960 for these programs.

The average Federal payment per person is estimated to be $1.60 higher in 1960 than in 1959 in the old-age assistance cases; and $0.45, $1.60, and $2.05, respectively, in the programs for aid to dependent children, aid to the blind, and aid to the permanently and totally disabled. It is expected that old-age assistance caseloads will continue to decline modestly from 2,442,000 in 1959 to 2,390,000 in 1960. The combined caseloads for dependent children, the blind, and the disabled are estimated to increase from 3,305,000 to 3,350,000.

The above figures for 1959 include a supplemental appropriation of $168 million to finance the increase in Federal cost primarily due to the 1958 legislation.

Expenditures in public assistance category other than grants are estimated to increase from $2 million in 1959 to nearly $4 million in 1960, primarily for grants to assist in the training of State social welfare staff and to conduct studies on problems such as the causes and prevention of dependency.

Promotion of public health.—New obligational authority recommended for the health activities of the Department for 1960 is $665 million, a decrease of $158 million from 1959, but an increase of $35 million over 1958. As noted earlier the decrease results mainly from a reduction in the construction grants and nonrecurring direct construction programs. Expenditures for 1960 are estimated

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at $675 million, an increase of $10 million over the 1959 estimate. The 1960 total is more than double the amount spent 5 years earlier.

New obligational authority of $294 million is recommended for the research activities of the National Institutes of Health. Of this amount 48% is for extramural research grants, 17% for training grants, and 28%, or $83 million, for direct research and operations. Expenditures for the Institutes are expected to increase slightly.

In view of the extremely rapid expansion of federally sponsored health research in recent years, the Department is completing an extensive review of its programs, the results of which will be made known shortly.

New obligational authority of $141 million is recommended for 1960 for the three major construction grant programs of the Public Health Service; $101 million for hospital construction grants, $20 million for waste treatment facilities, and $20 million for medical and dental research facilities. Appropriations of $20 million were provided in 1959 for construction of the National Library of Medicine, the Dental Research Building and the General Office Building at the National Institutes of Health, Bethesda, Md. Construction is expected to begin late in 1959 on these buildings, and it is estimated that $10 million will be spent in 1960 for these structures as well as for new surgical facilities and the biologics standards building for which funds were appropriated earlier.

Expenditures for construction grants and direct construction are estimated at $201 million in 1960, an increase of $16 million from 1959. This results despite the decrease in new obligational authority because progress payments will be made from sizeable balances from prior years' appropriations.

Appropriations of $96 million for 1960 are proposed for the operation of hospitals and provision of medical care through the Public Health Service hospitals, the Indian hospitals, St. Elizabeths, and Freedmen's hospital. Average daily patient load in these four programs in 1960 is expected to be 16,454, almost the same as in 1959; outpatient care workload is expected to increase by 2%.

The 1960 estimate for the Public Health Service eliminates the specific appropriation for special health grants for Alaska (less than $2 million in 1959) because this will be covered in the transitional grant proposed in this budget. Increases are provided for air pollution control, radiological health, and communicable disease activities. In addition, $1 million is requested in 1960 for special grants to schools of public health as authorized by the last Congress.

A substantial advance in food and drug legislation was made in 1958 with the enactment of a measure providing for regulations of chemical additives in foods. Increases are recommended to implement this new legislation as well as to strengthen the Food and Drug Administration generally. Appropriations of $13 million are provided, an increase of $1 million, to enable this Bureau to augment its staff of scientists and inspectors.

Grants made to States by the Children's Bureau to promote the health and welfare of children and mothers will amount to $44 million in 1960, the same as in 1959, but $2 million more than in 1958. For 1959, however, a proposed supplemental appropriation of $1.5 million is included to provide special emergency funds for newly developed techniques in heart surgery.

An appropriation of $200,000 is also included for the White House Conference on Children and Youth to be held in March 1960.

Promotion of education.—The budget provides for new obligational authority of $150 million for the second year of operation in the 4-year program under the National Defense Education Act of 1958. This is an increase of $35 million over the 1959 total, which includes a proposed supplemental of $75 million. Of the $150 million for 1960, $31 million is for the student loan program; $57 million for grants to States for improvement of science and mathematics and for foreign language instruction; $24 million for guidance, counseling, and testing programs, for technical vocational education programs, and for improving State statistical services. The remainder is for national defense fellowships, institutes for counseling personnel, activities in foreign language training field, educational media research, and loans to nonprofit, private elementary and secondary schools for science, mathematics, and foreign language instructional equipment.

The new obligational authority of $181 million requested in 1960 for construction and operation of schools in federally affected areas is the same as that provided by the Congress in 1959. As in 1959, payments for operating expenses will be prorated at about 85% of the entitlements of eligible school districts and construction projects will be financed according to a priority system. Legislative revisions in these programs will be proposed to provide for a more equitable sharing in the cost of these programs by local school districts.

New obligational authority of $63 million for all other education activities by the Department for 1960 is recommended, a net increase of $3 million. This increase is primarily for salaries and expenses of the Office of Education so that it can carry on its responsibilities under the new National Defense Education Act programs. An increase is also included for cooperative research agreements. $1 million is requested for initiation of a new program of grants in the field of education of mentally retarded children. Finally, increased support is provided for Howard University to maintain the quality of its educational services.

Other welfare services and administration.—The major program under this category is the Federal-State rehabilitation grant program. To foster continued expansion of this program appropriations of $66 million are recommended, an increase of $8 million over 1959. In 1960 it is expected that services will be provided to 314,000 disabled individuals and that 90,000 individuals will be rehabilitated. This represents an increase of 10.6% and 9.8%, respectively, compared with 1959.

The budget also includes funds for the White House Conference on Aging which is scheduled for January 1961. Federal contributions are also included for Gallaudet College (for the deaf) and for the American Printing House for the Blind.

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Labor and welfare:						
212 Public assistance	$1,769,457	$1,977,308	$2,037,967	$1,797,120	$1,987,456	$2,022,143
213 Promotion of public health	629,877	822,089	664,522	540,069	664,611	674,944
214 Promotion of education	284,616	356,366	394,030	245,747	325,550	361,945
215 Promotion of science, research, libraries, and museums	5,000	6,000	5,150	4,892	5,650	6,000
217 Other welfare services and administration	60,241	66,037	74,240	57,196	67,430	74,784
Total, labor and welfare	2,749,189	3,227,801	3,175,909	2,645,025	3,050,697	3,139,816
Commerce and housing:						
515 Community development and facilities				13	42	
519 Regulation of commerce and finance				−12	47	−97
Total, commerce and housing				1	89	−97
Total, Department of Health, Education, and Welfare	2,749,189	3,227,801	3,175,909	2,645,026	3,050,786	3,139,719

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
AMERICAN PRINTING HOUSE FOR THE BLIND												
Current authorizations:												
Education of the blind	217	$328	$400		$400	$328	$400		$400	$400		$400
FOOD AND DRUG ADMINISTRATION												
Current authorizations:												
Salaries and expenses	213	9,635	9,800	$797	11,800	8,580	10,150	$760	10,910	11,475	$37	11,512
Salaries and expenses, certification, inspection and other services (indefinite special fund)	213	1,297	1,380		1,410	1,234	1,380		1,380	1,400		1,400
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	213			378				290	290		88	88
Total, Food and Drug Administration		10,932	11,180	1,175	13,210	9,814	11,530	1,050	12,580	12,875	125	13,000
FREEDMEN'S HOSPITAL												
Current authorizations:												
Salaries and expenses	213	3,115	2,975	116	3,190	2,971	2,925	104	3,029	3,088	12	3,100
GALLAUDET COLLEGE												
Current authorizations:												
Salaries and expenses	217	745	849		892	731	860		860	890		890
Construction	217	1,690	123		150	1,991	2,500		2,500	1,100		1,100
Total, Gallaudet College		2,435	972		1,042	2,722	3,360		3,360	1,990		1,990
HOWARD UNIVERSITY												
Current authorizations:												
Salaries and expenses	214	3,982	4,350		4,617	3,792	4,490		4,490	4,600		4,600
Plans and specifications	214	150	123		21	26	250		250	40		40
Construction of auditorium-fine arts building (liquidation of contract authorization)	214				(860)							
Contract authorization	214	1,395				36	1,575		1,575	860		860
Construction of men's dormitory (liquidation of contract authorization)	214		(163)			967	425		425			
Construction of buildings	214	262				1,031	1,000		1,000	500		500
Construction of biology-greenhouse building (liquidation of contract authorization)	214					15						
Total, Howard University		5,790	4,473		4,638	5,867	7,740		7,740	6,000		6,000
OFFICE OF EDUCATION												
Current authorizations:												
Promotion and further development of vocational education	214	33,750	33,750		32,602	32,059	32,602		32,602	32,602		32,602
Further endowment of colleges of agriculture and the mechanic arts	214	2,502	2,502		2,502	2,502	2,502		2,502	2,502		2,502
Grants for library services	215	5,000	6,000		5,150	4,892	5,650		5,650	6,000		6,000
Payments to school districts	214	127,000	130,000		142,300	109,282	120,000		120,000	137,700		137,700
Assistance for school construction	214	98,650	50,800		38,500	79,553	78,500		78,500	50,800		50,800
Defense educational activities	214		40,000		150,000		25,000		25,000	80,000		80,000
Grants for expansion of teaching in education of the mentally retarded	214				1,000					500		500
Salaries and expenses	214	7,186	8,786	517	12,800	6,722	8,600	490	9,090	12,000	27	12,027
President's Committee on Education Beyond the High School	214	50				79	1		1			

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
OFFICE OF EDUCATION—Continued												
Permanent authorizations:												
Colleges for agriculture and the mechanic arts	214	$2,550	$2,550		$2,550	$2,550	$2,550		$2,550	$2,550		$2,550
Promotion of vocational education, act Feb. 23, 1917 (indefinite)	214	7,138	7,138		7,138	7,133	7,138		7,138	7,138		7,138
Intragovernmental funds:												
Advances and reimbursements	214					−1	2		2	2		2
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Defense educational activities	214			$75,300				$40,000	40,000		$30,000	30,000
Salaries and expenses	214			550				425	425		125	125
Total, Office of Education		283,826	281,526	76,367	394,542	244,772	282,545	40,915	323,460	331,793	30,152	361,945
OFFICE OF VOCATIONAL REHABILITATION												
Current authorizations:												
Grants to States	217	46,500	51,600		51,900	43,902	51,500		51,500	52,688		52,688
Research and training	217	4,400	4,800		12,500	4,156	4,500		4,500	11,000		11,000
Salaries and expenses	217	1,348	1,400	118	1,738	1,278	1,400	100	1,500	1,664	18	1,682
Total, Office of Vocational Rehabilitation		52,248	57,800	118	66,138	49,336	57,400	100	57,500	65,352	18	65,370
PUBLIC HEALTH SERVICE												
Current authorizations:												
Assistance to States, general	213	22,706	22,889	300	22,497	22,048	22,450	250	22,700	21,500	50	21,550
Control of venereal diseases	213	4,503	5,400		4,673	4,236	5,300		5,300	4,600		4,600
Control of tuberculosis	213	7,051	6,386	115	5,452	6,935	6,250	100	6,350	5,385	15	5,400
Communicable disease activities	213	7,172	6,600	272	8,015	6,828	6,600	250	6,850	7,930	22	7,952
Sanitary engineering activities	213	12,812	12,815	441	14,275	12,018	12,130	420	12,550	13,550	21	13,571
Grants for waste treatment works construction	213	45,000	45,000		20,000	16,884	30,000		30,000	30,000		30,000
Grants for hospital construction	213	121,200	186,200		101,200	106,465	124,000		124,000	129,000		129,000
Salaries and expenses, hospital construction services	213	1,499	1,600	35	1,604	1,461	1,590	30	1,620	1,565	5	1,570
Hospitals and medical care	213	44,623	48,454	2,224	45,600	44,823	48,485	2,150	50,635	44,500	74	44,574
Reappropriation	213	1										
Foreign quarantine activities	213	4,023	4,108	242	4,460	3,772	4,230	230	4,460	4,300	12	4,312
Indian health activities	213	40,160	39,963	1,664	42,990	39,700	41,020	1,600	42,620	42,500	64	42,564
Contract authorization	213	510	510		510							
Liquidation of contract authorization	213	(616)	(510)		(510)							
Construction of Indian health facilities	213	3,130	4,124		3,087	1,293	3,880		3,880	7,500		7,500
General research and services, National Institutes of Health	213	14,084	28,974		28,974	14,384	24,300		24,300	24,460		24,460
National Cancer Institute	213	56,402	75,268		75,218	45,103	61,800		61,800	62,600		62,600
Mental health activities	213	39,331	52,419		52,384	35,911	42,900		42,900	43,500		43,500
National Heart Institute	213	36,083	45,613		45,594	33,638	41,100		41,100	41,700		41,700
Dental health activities	213	6,480	7,420		7,420	5,730	6,640		6,640	6,640		6,640
Arthritis and metabolic disease activities	213	20,482	31,215		31,215	17,467	27,500		27,500	27,800		27,800
Allergy and infectious disease activities	213	17,514	24,071		24,071	16,942	22,200		22,200	22,300		22,300
Neurology and blindness activities	213	21,387	29,403		29,403	18,001	24,400		24,400	24,500		24,500
Grants for construction of health research facilities	213	30,000	30,000		20,000	12,084	20,000		20,000	20,000		20,000
Construction of animal quarters, Hamilton, Montana	213				150					100		100
Research facilities and site acquisition	213				150					150		150
Operations, National Library of Medicine	213	1,497	1,415	114	1,566	1,374	1,320	100	1,420	1,420	14	1,434
Retired pay of commissioned officers (indefinite)	213	1,451	1,627		1,753	1,459	1,627		1,627	1,753		1,753
Salaries and expenses	213	5,260	5,260	406	5,816	5,060	5,098	350	5,448	5,602	56	5,658
Construction, mental health facilities, Territory of Alaska	213		6,500				80		80	620		620
Construction of dental research building	213		3,700			16	500		500	2,000		2,000
Reappropriation	213	129										
Construction of library facilities	213		6,950			44	450		450	3,500		3,500
Reappropriation	213	18	25									

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
PUBLIC HEALTH SERVICE—Con.												
Current authorizations—Continued												
Equipment, communicable-disease center	213		$1,700				$480		$480	$920		$920
General office building	213		9,625			$41	400		400	3,250		3,250
Reappropriation	213	$129	62									
Grants and special studies, Territory of Alaska	213	2,176	2,165	$24		2,175	2,150	$20	2,170	55	$4	59
Buildings and facilities, Cincinnati, Ohio	213					37	20		20			
Construction of animal quarters	213					551						
Construction of biologic standards laboratory building	213					86	2,600		2,600	500		500
Construction of research facilities	213					701	70		70			
Construction of surgical facilities	213					19	500		500	1,000		1,000
Dependents' medical care (indefinite)	213	899				449	450		450			
Surveys and planning for hospital construction: Reappropriation	213	1,174				124						
Construction of housing facilities for animals	213					16						
Grants to States for poliomyelitis vaccination	213					309	65		65			
Public enterprise funds:												
Operation of commissaries, narcotic hospitals	213					−7				−2		−2
Intragovernmental funds:												
National Institutes of Health management fund	213					−1,480						
Service and supply fund	213					170	−38		−38			
Working capital fund, narcotic hospitals	213					−54	19		19	8		8
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Assistance to States, general	213			500				300	300		200	200
Communicable disease activities	213			18				15	15		3	3
Construction of Indian health facilities	213			1,886							1,500	1,500
Total, Public Health Service		568,886	747,461	8,241	$598,077	476,813	592,566	5,815	598,381	606,706	2,040	608,746
SAINT ELIZABETHS HOSPITAL												
Current authorizations:												
Salaries and expenses	213	3,166	3,186	221	3,715	3,142	3,178	200	3,378	3,590	21	3,611
Major repairs and preservation of buildings and grounds	213	55	87		330	367	210		210	275		275
Construction, continued treatment building	213		125				50		50	75		75
Construction and equipment, treatment and cafeteria building	213	180				13	167		167			
Construction and equipment, maximum security building	213					4,170	1,250		1,250	235		235
Construction and equipment, treatment building	213					117	66		66			
Total, Saint Elizabeths Hospital		3,401	3,398	221	4,045	7,809	4,921	200	5,121	4,175	21	4,196
SOCIAL SECURITY ADMINISTRATION												
Current authorizations:												
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund)		(144,692)	(139,131)	(11,295)	(191,600)							
Limitation on construction, Bureau of Old-Age and Survivors Insurance (trust fund)		(5,710)										
Grants to States for public assistance	212	1,767,177	1,806,400		2,033,500	1,794,687	1,819,000		1,819,000	2,016,000		2,016,000
Salaries and expenses, Bureau of Public Assistance	212	1,980	1,980	187	2,345	1,901	1,900	177	2,077	2,190	10	2,200
Salaries and expenses, Children's Bureau	213	2,043	2,000	172	2,300	1,941	1,900	160	2,060	2,200	12	2,212
Salaries and expenses, White House Conference on Children and Youth	213		150		200		140		140	190		190

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
SOCIAL SECURITY ADMINISTRATION—Continued												
Current authorizations—Continued												
Grants to States for maternal and child welfare	213	$41,500	$43,500		$43,500	$40,723	$42,800		$42,800	$42,800		$42,800
Grants for social security training and studies	212				1,785					1,250		1,250
Salaries and expenses, Office of the Commissioner	212	300	314	$28	337	234	260	$20	280	270	$8	278
Grants to States for emergency maternity and infant care (national defense)	213					−2						
Public enterprise funds:												
Operating fund, Bureau of Federal Credit Unions	519					−12	47		47	−97		−97
Intragovernmental funds:												
Advances and reimbursements	212					298	99		99	15		15
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund)				(23,106)								
Limitation on construction, Bureau of Old-Age and Survivors Insurance (trust fund)				(1,300)								
Grants to States for public assistance	212			168,400				166,000	166,000		2,400	2,400
Grants to States for maternal and child welfare	213			1,500				500	500		700	700
Total, Social Security Administration		1,812,999	1,854,344	170,287	2,083,967	1,839,771	1,866,146	166,857	2,033,003	2,064,818	3,130	2,067,948
OFFICE OF THE SECRETARY												
Current authorizations:												
Salaries and expenses	217	1,849	1,809	162	2,151	1,747	1,820	150	1,970	2,100	12	2,112
Salaries and expenses, Office of Field Administration	217	2,355	2,358	213	2,735	2,106	2,430	200	2,630	2,650	13	2,663
Salaries and expenses, Office of the General Counsel	217	508	505	49	619	457	545	45	590	600	4	604
Surplus property utilization	217	518	632	57	703	495	640	50	690	690	7	697
White House Conference on Aging	217		100		452		85		85	400		400
Defense community facilities and services	515					13	42		42			
Intragovernmental funds:												
Working capital fund	217					7	−14		−14	−3		−3
Advances and reimbursements	217					−2	4		4			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Salaries and expenses, Office of the General Counsel	217			16				15	15		1	1
White House Conference on Aging	217			846				200	200		550	550
Total, Office of the Secretary		5,229	5,404	1,343	6,660	4,823	5,552	660	6,212	6,437	587	7,024
Total new obligational authority and budget expenditures		2,749,189	2,969,933	257,868	3,175,909	2,645,026	2,835,085	215,701	3,050,786	3,103,634	36,085	3,139,719

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$2,736,145	$2,959,648		$3,165,711							
Appropriations to liquidate contract authorizations		(616)	(673)		(1,370)							
Contract authorizations		1,905	510		510	$2,645,026	$2,835,085			$3,103,634		
Reappropriations		1,451	87									
Permanent authorizations:												
Appropriations		9,688	9,688		9,688							
Proposed for later transmission:												
Pay increase supplemental appropriations			8,474				7,956			518		
Other: Appropriations			249,394				207,745			35,567		
Total new obligational authority and budget expenditures		2,749,189	3,227,801		3,175,909	2,645,026	3,050,786			3,139,719		

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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
PUBLIC HEALTH SERVICE										
Operation of commissaries, narcotic hospitals	213	$203	$210	$210	$210	$210	$212	−$7		−$2
SOCIAL SECURITY ADMINISTRATION										
Operating fund, Bureau of Federal Credit Unions	519	2,751	3,395	3,645	2,762	3,348	3,742	−12	$47	−97
Total, public enterprise funds		2,954	3,605	3,855	2,972	3,558	3,954	−19	47	−99

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$397		$1,411		$1,092	11,800	10,420	$1,092		$1,380
Salaries and expenses, certification, inspection, and other services (indefinite special fund)	$385	521	$446	584	$446	584	1,410	1,262	138	$446	594
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Salaries and expenses						88			88		
Total, Food and Drug Administration	385	918	446	1,995	446	1,764	13,210	11,682	1,318	446	1,974
FREEDMEN'S HOSPITAL											
Current authorizations:											
Salaries and expenses		276		409		471	3,190	2,629	471		561
GALLAUDET COLLEGE											
Current authorizations:											
Salaries and expenses		9		23		12	892	878	12		14
Construction	2,612	4,191	2,542	3,890	188	1,513	150	150	950		563
Total, Gallaudet College	2,612	4,200	2,542	3,913	188	1,525	1,042	1,028	962		577
HOWARD UNIVERSITY											
Current authorizations:											
Salaries and expenses		105		296		156	4,617	4,444	156		173
Plans and specifications	15	33	76	157	8	30	21	21	19	8	11
Construction of auditorium-fine arts building (liquidation of contract authorization)	1,611	1,611		1,575					860		
Contract authorization			535	1,395	535	1,395				535	535
Construction of men's dormitory (liquidation of contract authorization)	243	1,292	119	325		63					63
Contract authorization	735	735	735	735							
Construction of buildings	1,661	2,581	1,059	1,812	266	714			500		214
Construction of biology-greenhouse building (liquidation of contract authorization)		15									
Contract authorization	421	421									
Total, Howard University	4,686	6,793	2,524	6,295	809	2,358	4,638	4,465	1,535	543	996
OFFICE OF EDUCATION											
Current authorizations:											
Promotion and further development of vocational education		20					32,602	32,602			
Further endowment of colleges of agriculture and the mechanic arts							2,502	2,502			
Grants for library services		610	563	598	850	948	5,150	5,052	948		98
Payments to school districts		25,869		42,326		52,326	142,300	85,374	52,326		56,926
Assistance for school construction	19,103	118,956	46,698	138,053		110,353	38,500	2,057	48,743		98,053
Defense educational activities						15,000	150,000	65,000	15,000		85,000
Grants for expansion of teaching in education of mentally retarded children							1,000	500			500
Salaries and expenses		1,128		1,572		1,769	12,800	10,432	1,595		2,542
President's Committee on Education Beyond the High School		33		1							

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
OFFICE OF EDUCATION—Continued											
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		$4		$3		$2			$2		
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Defense educational activities						35,300			30,000		$5,300
Salaries and expenses						125			125		
Total, Office of Education	$19,103	146,620	$47,261	182,553	$850	215,823	394,542	213,207	148,739		248,419
OFFICE OF VOCATIONAL REHABILITATION											
Current authorizations:											
Grants to States		341		688		788	51,900	51,900	788		
Research and training		310		479		779	12,500	10,221	779		2,279
Salaries and expenses		97		145		163	1,738	1,519	163		219
Total, Office of Vocational Rehabilitation		748		1,312		1,730	66,138	63,640	1,730		2,498
PUBLIC HEALTH SERVICE											
Current authorizations:											
Assistance to States, general		516		832		1,321	22,497	20,800	750		2,268
Control of venereal diseases		166		382		482	4,673	4,175	425		555
Control of tuberculosis		356		454		605	5,452	4,960	440		657
Communicable disease activities		280		610		632	8,015	7,400	552		695
Sanitary engineering activities		736		1,295		1,975	14,275	12,200	1,371		2,679
Grants for waste treatment works construction	12,379	49,156	9,670	77,271	5,000	92,272	20,000		30,000		82,272
Grants for hospital construction	86,083	240,391	76,337	253,922	97,400	316,122	101,200	5,000	124,000	$65,000	288,322
Salaries and expenses, hospital construction services		93		124		139	1,604	1,431	139		173
Hospitals and medical care		3,682		3,547		3,445	45,600	41,202	3,374		4,469
Foreign quarantine activities		253		439		329	4,460	3,983	329		477
Indian health activities		4,853		5,610		4,969	43,500	37,104	5,460		5,905
Contract authorization		616		510		510					510
Construction of Indian health facilities	11,526	11,840	10,127	13,677	1,766	13,921	3,087	2,000	5,500	128	9,508
General research and services, National Institutes of Health		1,815		1,406		4,796	28,974	20,360	4,100		9,310
National Cancer Institute		6,212		16,272		27,345	75,218	39,000	23,600		39,963
Mental health activities		2,473		5,632		11,990	52,384	33,000	10,500		20,874
National Heart Institute		1,989		4,168		7,753	45,594	34,700	7,000		11,647
Dental health activities		405		1,113		1,891	7,420	5,000	1,640		2,671
Arthritis and metabolic disease activities		759		3,743		7,401	31,215	20,800	7,000		10,816
Allergy and infectious disease activities		441		959		2,544	24,071	20,600	1,700		4,315
Neurology and blindness activities		1,966		4,874		8,996	29,403	17,700	6,800		13,899
Grants for construction of health research facilities		26,596		44,511		54,511	20,000		20,000		54,511
Construction of animal quarters, Hamilton, Montana							150	100			50
Research facilities and site acquisition							150	150			
Operations, National Library of Medicine		141		259		368	1,566	1,133	301		500
Retired pay of commissioned officers (indefinite)							1,753	1,753			
Salaries and expenses		398		564		780	5,816	4,900	756		940
Construction, mental health facilities, Territory of Alaska						6,420			620		5,800
Construction of dental research building		70		82	479	3,282			2,000		1,282
Construction of library facilities		330		279	719	6,804			3,500	204	3,304
Equipment, communicable disease center					522	1,220			920		300
General office building		169		195	951	9,482			3,250	364	6,234
Grants and special studies, Territory of Alaska		44		40		59			59		
Buildings and facilities, Cincinnati, Ohio	31	61	11	24							
Construction of animal quarters	188	704	154	154							

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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											
Construction of biologics standards laboratory building	$3,343	$3,429	$598	$3,343		$743			$500		$242
Construction of research facilities	201	874	105	174							
Construction of surgical facilities	1,556	1,630	1,548	1,611		1,111			1,000		111
Dependents' medical care (indefinite)				450							
Construction of housing facilities for animals		16									
Grants to States for poliomyelitis vaccination		507		68							
Public enterprise funds:											
Operation of commissaries, narcotic hospitals	17	29	25	36	$25	36			−2	$26	38
Intragovernmental funds:											
National Institutes of Health management fund				1,439		1,439					1,439
Service and supply fund	550	650	436	480	536	518				543	517
Working capital fund, narcotic hospitals	28	29	80	83	67	64			8	63	56
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Assistance to States, general						200			200		
Communicable disease activities						3			3		
Construction, Indian Health facilities						1,886			1,500		386
Total, Public Health Service	115,903	364,675	99,091	450,633	107.465	598,364	$598,077	$339,451	269,295	66,328	587,695
SAINT ELIZABETHS HOSPITAL											
Current authorizations:											
Salaries and expenses		726		879		745	3,715	2,866	745		849
Major repairs and preservation of buildings and grounds	99	417	33	126			330	275			55
Construction, continued treatment building						75			75		
Construction and equipment, treatment and cafeteria building			45	167							
Building for storerooms, etc		1									
Construction and equipment of treatment building	147	198	77	81							
Construction and equipment, maximum security building	965	5,655	694	1,485	119	235			235		
Total, Saint Elizabeths Hospital	1,211	6,997	849	2,738	119	1,055	4,045	3,141	1,055		904
SOCIAL SECURITY ADMINISTRATION											
Current authorizations:											
Grants to States for public assistance		236,153		292,826		346,732	2,033,500	1,669,268	346,732		364,232
Salaries and expenses, Bureau of Public Assistance		101		175		262	2,345	1,938	262		407
Salaries and expenses, Children's Bureau		101		198		305	2,300	1,907	305		393
Salaries and expenses, White House Conference on Children and Youth						10	200	180	10		20
Grants to States for maternal and child welfare		1				700	43,500	42,100	700		1,400
Grants for social security training and studies							1,785	1,250			535
Salaries and expenses, Office of the Commissioner		25		54		116	337	162	116		175
Public enterprise funds:											
Operating fund, Bureau of Federal Credit Unions	698	705	511	642	487	545			−97	499	[1] 592
Intragovernmental funds:											
Advances and reimbursements		412		114		15			15		
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Grants to States for public assistance						2,400			2,400		
Grants to States for maternal and child welfare						1,000			700		300
Total, Social Security Administration	698	237,498	511	294,009	487	352,085	2,083,967	1,716,805	351,143	499	368,054

[1] Excludes capital transfer in 1960 of $50 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$112		$199		$200	$2,151	$1,912	$200		$239
Salaries and expenses, Office of Field Administration		79		312		254	2,735	2,409	254		326
Salaries and expenses, Office of the General Counsel		43		89		53	619	551	53		68
Surplus property utilization		33		51		51	703	646	50		57
White House Conference on Aging						15	452	385	15		67
Civil defense activities		2									
Defense community facilities and services		78		42							
Intragovernmental funds:											
Advances and reimbursements		4		6		2					3
Working capital fund	$103	271	$60	265	$77	278			−3	$93	281
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Salaries and expenses, Office of the General Counsel						1			1		
White House Conference on Aging						646			550		96
Total, Office of the Secretary	103	622	60	964	77	1,500	6,660	5,903	1,120	93	1,137
Total, Department of Health, Education, and Welfare	144,701	769,347	153,284	944,821	110,441	1,176,675	3,175,909	2,362,351	777,368	67,909	[1] 1,212,815
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$142,149	$765,471	$150,902	$939,113	$108,714	$1,130,222				$66,150	$1,202,762
Balances of anticipated pay increase supplementals not identified above						−518					
Subtotal	142,149	765,471	150,902	939,113	108,714	1,129,704	$3,175,909	$2,362,351	$741,283	66,150	1,202,762
Contract authorizations	1,156	1,772	1,270	2,640	535	1,905				535	1,045
Revolving and management funds	1,396	2,104	1,112	3,068	1,192	2,899				1,224	[1] 2,926
Proposed for later transmission:											
Appropriations						41,649					6,082
Balances of anticipated pay increase supplementals not identified above						518			36,085		
Subtotal						42,167					6,082
Total, Department of Health, Education, and Welfare	144,701	769,347	153,284	944,821	110,441	1,176,675	3,175,909	2,362,351	777,368	67,909	1,212,815

[1] Excludes capital transfer in 1960 of $50 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$765,471	$939,113	$1,129,704
Contract authorizations	1,772	2,640	1,905
Revolving and management funds	2,104	3,068	2,899
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	----------	518
Other: Appropriations	----------	----------	41,649
Total balances brought forward	769,347	944,821	1,176,675
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	2,736,145	2,959,648	3,165,711
Appropriations to liquidate contract authorizations	(616)	(673)	(1,370)
Contract authorizations	1,905	510	510
Reappropriations	1,451	87	----------
Total new obligational authority under current authorizations	2,739,501	2,960,245	3,166,221
Permanent authorizations: Appropriations	9,688	9,688	9,688
Total new obligational authority enacted or recommended	2,749,189	2,969,933	3,175,909
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	8,474	----------
Other: Appropriations	----------	249,394	----------
Total new obligational authority proposed for later transmission	----------	257,868	----------
Total new obligational authority	2,749,189	3,227,801	3,175,909
Other amounts available:			
Appropriations available in prior years	−328,670	−424,022	−490,000
Appropriations available from subsequent years	424,022	490,000	490,000
Total other amounts available	95,352	65,978	----------
Total budget authorizations available	3,613,888	4,238,600	4,352,584
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	2,645,026	2,835,085	2,362,351
Out of balances of prior obligational authority			741,283
Total expenditures from obligational authority enacted or recommended	2,645,026	2,835,085	3,103,634
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations	----------	7,956	518
Other:			
Out of new obligational authority	----------	207,745	----------
Out of balances of prior obligational authority			35,567
Total expenditures from obligational authority proposed for later transmission	----------	215,701	36,085
Total budget expenditures	2,645,026	3,050,786	3,139,719
Amounts no longer available:			
Unobligated balances rescinded	426	17	----------
Unobligated balances expiring and lapsing	19,078	11,073	----------
Capital transfers from revolving funds to receipt accounts	75	50	50
Adjustment of balances downward in expired accounts, net	4,463	----------	----------
Total amounts no longer available	24,042	11,140	50
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	939,113	1,129,704	1,202,762
Contract authorizations	2,640	1,905	1,045
Revolving and management funds	3,068	2,899	2,926
Proposed for later transmission:			
Pay increase supplemental appropriations	----------	518	----------
Other: Appropriations	----------	41,649	6,082
Total balances carried forward at close of year	944,821	1,176,675	1,212,815
Obligations incurred, net	$2,816,379	$3,325,582	$3,218,391

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AMERICAN PRINTING HOUSE FOR THE BLIND

Current authorizations:

EDUCATION OF THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U. S. C. 101–105), $400,000. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$400,000** Estimate 1960, **$400,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants for educational materials (total obligations)	$328,000	$400,000	$400,000
Financing:			
Appropriation (new obligational authority)	328,000	400,000	400,000

Grants are made to this nonprofit institution in Louisville, Ky., to manufacture books and teaching materials for the blind and to 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, its Territories and possessions.

Numbers of blind students served by this program are as follows: 1958 actual, 11,183; 1959 estimate, 12,024; 1960 estimate, 12,500.

The Printing House also receives $10,000 annually from the Treasury Department under "To promote the education of the blind, principal account," Bureau of Accounts.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$328,000	$400,000	$400,000

FOOD AND DRUG ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses not otherwise provided for, of the Food and Drug Administration, including purchase of not to exceed twenty-five passenger motor vehicles 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; [$9,800,000] *$11,800,000.* (*Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 301–392); Tea Importation Act, as amended (21 U. S. C. 41–50); Import Milk Act (21 U. S. C. 141–149); Federal Caustic Poison Act (15 U. S. C. 401–411); Filled Milk Act, as amended (21 U. S. C. 61–64); Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$9,800,000** Estimate 1960, **$11,800,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Field inspections, investigations, and laboratory analyses	$6,356,203	$7,179,300	$7,614,600
2. Research and methodology	1,592,904	1,697,600	2,216,100
3. Compliance, consultation, and education	515,960	525,400	632,700
4. Medical evaluation	506,254	577,300	626,100
5. Executive direction	619,449	617,400	710,500
6. 1959 program obligated in 1958	5,813	−5,813	
Total obligations	9,596,583	10,591,187	11,800,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
1959 appropriation available in 1958	−$5,813	$5,813	
Unobligated balance no longer available	44,330		
New obligational authority	9,635,100	10,597,000	$11,800,000
New obligational authority:			
Appropriation	$9,300,000	$9,800,000	$11,800,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	335,100		
Appropriation (adjusted)	9,635,100	9,800,000	11,800,000
Proposed supplemental due to pay increases		797,000	

The laws enforced hereunder are designed to protect consumers against adulterated and misbranded foods, drugs, cosmetics, therapeutic devices, and caustic poisons.

Public Law 85–929, approved September 6, 1958, prohibits the use in foods of additives which have not been adequately tested to establish their safety. A supplemental to undertake this work in 1959 is proposed for later transmission.

1. *Field inspections, investigations, and laboratory analyses.*—Inspections of domestic plants, examinations of interstate and import shipments and special investigations are planned according to the relative incidence and seriousness of probable violations. About 84,000 establishments (manufacturing plants, warehouses, shippers) dealing in foods, drugs, devices, or cosmetics are subject to inspection. Retail establishments dealing in products received in interstate commerce are also subject to the prohibition against adulteration or misbranding of articles from interstate sources. Samples are collected during inspections and investigations and laboratory analyses are conducted to detect and identify adulteration.

The 1960 budget estimate provides for initial staffing and auxiliary expenses for the opening of a new district office in the Dallas, Tex., area authorized in 1959.

2. *Research and methodology.*—Research is conducted to evaluate the components of foods, drugs, devices and cosmetics and to appraise their efficacy, toxicity, and acute and long-range effects. Research is also performed to develop analytical methods for use in field analysis of inspectional samples and to develop food standards and pesticide and food additives tolerances.

3. *Compliance, consultation, and education.*—Voluntary compliance with the law is promoted wherever possible, but legal action is taken when necessary. Legal proceedings include seizures of illegal products, injunctions and criminal prosecution through the courts. Standards for foods, and tolerances for poisonous substances in foods and other regulations are promulgated. A program of consumer education is conducted. Liaison is maintained with, and assistance is given to State and local food and drug agencies.

4. *Medical evaluation.*—Applications for new drugs to be marketed are evaluated and approved. The medical aspects of research and enforcement activities are coordinated.

Workload is reflected in the following summary data:

	1958 actual	*1959 estimate*	*1960 estimate*
Number of establishments inspected	17,119	19,000	21,500
Establishment inspections	20,647	23,000	26,000
Wharf examinations	5,184	6,000	6,400
Samples collected for examination	34,469	38,700	43,000
Laboratory analyses and other examinations	25,478	28,500	31,500

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FOOD AND DRUG ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

CURRENT COMPLIANCE STATUS OF FIRMS SUBJECT TO INSPECTION [1]

Type of firm	Number of establishments	In compliance with law: Number	In compliance with law: Percent	Not in compliance: Number	Not in compliance: Percent
Foods	73,200	43,400	59.3	29,800	40.7
Drugs and devices	9,200	4,200	46.1	5,000	53.9
Cosmetics	1,300	800	62.3	500	27.9
Total	[2] 83,700	48,400	57.9	35,300	42.1

[1] Based on data collected during 1957 and 1958.

[2] Excludes public eating places, retail drug stores and producers and handlers of fresh fruits and vegetables all of which represent a potential workload. There are about 392,000 such additional establishments subject to inspection under the Federal Food, Drug, and Cosmetic Act.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,180	1,251	1,447
Full-time equivalent of all other positions	6	6	6
Average number of all employees	1,137	1,191	1,376
Number of employees at end of year	1,191	1,228	1,428
Average GS grade and salary	7.8 $5,841	8.2 $6,582	8.2 $6,615
01 Personal services:			
Permanent positions	$6,833,474	$7,823,200	$8,863,600
Positions other than permanent	34,779	38,000	38,000
Other personal services	48,660	50,000	79,000
Total personal services	6,916,913	7,911,200	8,980,600
02 Travel	371,687	436,500	538,000
03 Transportation of things	36,002	84,800	77,200
04 Communication services	101,092	113,700	121,900
05 Rents and utility services	2,936	1,800	1,800
06 Printing and reproduction	54,055	59,700	67,400
07 Other contractual services	172,731	159,900	209,100
Services performed by other agencies	53,784	54,000	54,000
08 Supplies and materials	299,249	309,100	351,600
Samples	101,846	114,400	123,500
09 Equipment	1,052,580	838,500	697,800
11 Grants, subsidies, and contributions	424,339	508,200	571,900
13 Refunds, awards, and indemnities	1,143	3,000	3,000
15 Taxes and assessments	2,413	2,200	2,200
1959 program obligated in 1958	5,813	−5,813	
Total obligations	9,596,583	10,591,187	11,800,000

SALARIES AND EXPENSES, CERTIFICATION, INSPECTION, AND OTHER SERVICES

(Indefinite special fund)

For expenses necessary for the certification or inspection of certain products, and for the establishment of tolerances for pesticides, 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 purchase of chemicals, apparatus, and scientific equipment; 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, 1959.*)

Appropriated (est.) 1959, **$1,380,000** Estimate 1960, **$1,410,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Certification services	$1,205,360	$1,334,000	$1,362,000
2. Pesticides tolerances	27,035	42,000	43,000
3. Refunds	2,892	4,000	5,000
Total obligations	1,235,287	1,380,000	1,410,000
Financing:			
Unobligated balance brought forward	−384,784	−446,290	−446,290
Unobligated balance carried forward	446,290	446,290	446,290
Appropriation (new obligational authority)	1,296,793	1,380,000	1,410,000

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.

Workload data are as follows:

	1958 actual	1959 estimate	1960 estimate
Batches of antibiotics tested	16,264	17,000	17,000
Batches of insulin tested	371	350	350
Batches of coal-tar colors tested	5,015	5,000	5,400
Number of pesticide tolerances established	48	40	40

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	159	161	161
Full-time equivalent of all other positions	1	1	1
Average number of all employees	152	158	158
Number of employees at end of year	156	161	161
Average GS grade and salary	7.6 $5,730	7.8 $6,325	8.0 $6,474
01 Personal services:			
Permanent positions	$863,105	$963,200	$964,200
Positions other than permanent	4,828	5,300	6,000
Other personal services	32,960	33,500	37,000
Total personal services	900,893	1,002,000	1,007,200
02 Travel	18,673	20,000	19,600
03 Transportation of things	6,703	10,000	10,200
04 Communication services	5,248	4,000	4,800
05 Rents and utility services			100
06 Printing and reproduction	6,515	8,000	7,900
07 Other contractual services	11,882	12,000	32,000
Services performed by other agencies	48,452	48,000	48,000
08 Supplies and materials	129,009	144,000	144,300
09 Equipment	52,214	62,000	63,800
11 Grants, subsidies, and contributions	51,724	65,000	65,100
13 Refunds, awards, and indemnities	2,992	4,000	5,000
15 Taxes and assessments	982	1,000	2,000
Total obligations	1,235,287	1,380,000	1,410,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Pharmacological studies for the National Cancer Institute	$121,398	$130,800	$130,800
2. Miscellaneous services to other accounts and testing for other agencies	77,620	85,700	85,700
3. Proceeds from sale of equipment	5,635	5,500	5,500
Total obligations	204,653	222,000	222,000
Financing:			
Advances and reimbursements from—			
Other accounts	196,939	213,800	213,800
Non-Federal sources (40 U. S. C. 481 (c))	7,714	8,200	8,200
Total financing	204,653	222,000	222,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	30	30	30
Average number of all employees	27	29	29
Number of employees at end of year	31	30	30
Average GS grade and salary	6.0 $5,064	6.6 $5,403	6.6 $5,473
01 Personal services:			
Permanent positions	$137,561	$158,000	$158,000
Positions other than permanent	3,182	3,200	3,200
Other personal services	1,820	1,800	2,400
Total personal services	142,563	163,000	163,600
02 Travel	4,129	3,500	3,500
07 Other contractual services	684	600	600
Services performed by other agencies	929	300	300
08 Supplies and materials	36,217	41,900	41,300
09 Equipment	12,457	3,400	3,400
11 Grants, subsidies, and contributions	7,009	8,400	8,400
15 Taxes and assessments	665	900	900
Total obligations	204,653	222,000	222,000

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Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Field inspections, investigations, and laboratory analysis		$98,300	
2. Research and methodology		236,600	
3. Compliance, consultation, and education		27,500	
4. Executive direction		15,600	
Total obligations		378,000	
Financing:			
Proposed supplemental appropriation		378,000	

Under existing legislation, 1959.—A supplemental appropriation of $378,000 is anticipated for 1959 as a result of the enactment of Public Law 85–929, approved September 6, 1958, which amends the Federal Food, Drug, and Cosmetic Act to prohibit the use in foods of additives which have not been adequately tested to establish their safety.

FREEDMEN'S HOSPITAL

Current authorizations:

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; [$2,975,000] *$3,190,000*: *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, 1959.*)

Appropriated 1959, **$2,975,000** Estimate 1960, **$3,190,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Inpatient services:			
(*a*) General hospital	$1,772,995	$1,741,692	1,797,090
(*b*) Tuberculosis hospital	283,199	282,977	277,050
2. Outpatient services	264,985	271,483	288,685
3. Training program	493,129	525,531	539,342
4. Administration	296,529	269,317	287,833
Total direct obligations	3,110,837	3,091,000	3,190,000
Reimbursable obligations:			
1. Inpatient services:			
(*a*) General hospital	839,892	1,005,720	1,040,400
(*b*) Tuberculosis hospital	135,865	147,900	168,300
2. Outpatient services	123,513	162,690	168,300
4. Administration	135,865	162,690	153,000
Total reimbursable obligations	1,235,135	1,479,000	1,530,000
Total obligations	4,345,972	4,570,000	4,720,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Reimbursements from non-Federal sources (32 D. C. Code 318)	−$1,235,135	−$1,479,000	−$1,530,000
Unobligated balance no longer available	4,563		
New obligational authority	3,115,400	3,091,000	3,190,000
New obligational authority:			
Appropriation	$3,000,000	$2,975,000	$3,190,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	115,400		
Appropriation (adjusted)	3,115,400	2,975,000	3,190,000
Proposed supplemental due to pay increases		116,000	

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 income from the following sources:

RECEIPTS FOR PATIENT CARE

	1958 actual	*1959 estimate*	*1960 estimate*
Pay patients	$856,388	$1,044,250	$1,061,750
District of Columbia	360,494	416,500	450,000
Other jurisdictions	18,253	18,250	18,250
Total receipts	1,235,135	1,479,000	1,530,000

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 (EXCLUDING NEWBORNS)

	1958 actual	*1959 estimate*	*1960 estimate*
(*a*) General hospital	268	266	259
(*b*) Tuberculosis hospital	56	56	47
Total	324	322	306

2. *Outpatient services.*—There are 36 clinics and 2 emergency operating rooms.

	1958 actual	*1959 estimate*	*1960 estimate*
Clinic visits	56,803	56,600	56,600
Emergency room visits	38,410	38,400	38,400
Total	95,213	95,000	95,000

3. *Training program.*—Average student enrollment in the training program is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Student nurses	79	90	90
Residents and medical and dental interns	68	69	69
Administrative, dietetic, occupational therapy, and pharmaceutical interns	13	15	15
Total	160	174	174

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	664	688	694
Full-time equivalent of all other positions	161	174	174
Average number of all employees	813	828	833
Number of employees at end of year	822	838	843
Average GS grade and salary	4.9 $4,221	4.9 $4,661	4.9 $4,649
Average ungraded salary	$3,382	$3,575	$3,575
Personal service obligations:			
Permanent positions	$2,720,447	$2,877,600	$2,898,725
Positions other than permanent	415,033	443,385	448,932
Other personal services	348,951	421,015	463,272
Total personal service obligations	3,484,431	3,742,000	3,810,929
Direct obligations:			
01 Personal services	2,528,771	2,568,551	2,627,844
02 Travel	1,435	1,500	1,500
03 Transportation of things	1,164	400	600

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FREEDMEN'S HOSPITAL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Direct obligations—Continued			
04 Communication services	$23,973	$24,375	$24,375
05 Rents and utility services	98,663	93,820	92,800
06 Printing and reproduction	5,523	3,785	3,785
07 Other contractual services	15,545	26,655	41,264
Services performed by other agencies	12,407	12,665	12,665
08 Supplies and materials	375,377	332,730	354,835
09 Equipment	45,208	37,550	42,357
11 Grants, subsidies, and contributions	93,060	98,315	97,648
13 Refunds, awards, and indemnities	19		
15 Taxes and assessments	10,650	10,500	10,500
Subtotal	3,211,795	3,210,846	3,310,173
Deduct quarters and subsistence charges	100,958	119,846	120,173
Total direct obligations	3,110,837	3,091,000	3,190,000
Reimbursable obligations:			
01 Personal services	955,660	1,173,449	1,183,085
05 Rents and utility services	24,703	29,580	30,600
07 Other contractual services	12,351	14,790	15,300
08 Supplies and materials	185,270	192,270	214,200
09 Equipment	12,351	14,790	30,600
11 Grants, subsidies, and contributions	49,406	59,160	61,200
Subtotal	1,239,741	1,484,039	1,534,985
Deduct quarters and subsistence charges	4,606	5,039	4,985
Total reimbursable obligations	1,235,135	1,479,000	1,530,000
Total obligations	4,345,972	4,570,000	4,720,000

GALLAUDET COLLEGE

Current authorizations:

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), [$815,000] *$892,000: 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, 1959.*)

Appropriated 1959, [a] **$849,000** Estimate 1960, **$892,000**

[a] Includes $34,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General administration	$86,743	$87,489	$89,749
2. Resident instruction and departmental research:			
(*a*) Gallaudet College	422,247	503,037	569,504
(*b*) Kendall School	96,694	91,409	94,870
3. General library	50,891	63,943	65,540
4. Operation and maintenance of physical plant	199,995	229,564	231,382
5. Auxiliary services and noneducational expense	192,506	183,136	183,136
Total obligations	1,049,076	1,158,578	1,234,181
Financing:			
Advances and reimbursements from—			
Other accounts	−12,410	−10,000	−10,000
Non-Federal sources	−291,666	−304,915	−332,181
Unobligated balance no longer available		5,337	
Appropriation (new obligational authority)	745,000	849,000	892,000

NOTE.—Advances and reimbursements from non-Federal sources are from tuition in part from the District of Columbia under D. C. Code, title 31, section 1008, and other tuition fees.

Gallaudet College provides advanced education to the deaf, a graduate department to train teachers of the deaf, and a research program 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 education department.

	1958 actual	*1959 estimate*	*1960 estimate*
Gallaudet College, average enrollment	361	373	415
Kendall School, average enrollment	61	67	70

Object Classification

	1958 actual	1959 estimate	1960 estimate
Non-Federal employees:			
Total number of permanent positions	171	178	190
Full-time equivalent of all other positions	7	5	5
Average number of all employees	170	177	189
Number of employees at end of year	171	178	190
Average salary of ungraded positions	$4,459	$4,844	$4,918
01 Personal services:			
Permanent positions	$722,995	$841,824	$915,804
Positions other than permanent	36,504	20,000	23,000
Other personal services	3,045	500	500
Total personal services	762,544	862,324	939,304
02 Travel	3,702	5,200	5,200
03 Transportation of things	236	1,500	1,500
04 Communication services	6,040	5,000	7,000
05 Rents and utility services	14,675	15,500	19,500
06 Printing and reproduction	1,500	250	250
07 Other contractual services	42,857	55,453	49,453
08 Supplies and materials	144,008	141,409	141,409
09 Equipment	51,055	40,000	33,662
11 Grants, subsidies, and contributions	44,644	54,800	59,698
15 Taxes and assessments	1,435	762	825
Subtotal	1,072,696	1,182,198	1,257,801
Deduct quarters and subsistence charges	23,620	23,620	23,620
Total obligations	1,049,076	1,158,578	1,234,181

CONSTRUCTION

For [the preparation of plans and specifications for construction and equipment] *alteration, renovation, and other improvement* 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, [$123,000] *including planning, architectural, and engineering services, $150,000,* to remain available until [June 30, 1960, as follows: For an auditorium; a classroom and dormitory building, Kendall School; greenhouses; athletic fields and stands; maintenance building; maintenance personnel apartments; and alterations, installations, equipment, roads, walks, and grading] *expended.* (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$123,000** Estimate 1960, **$150,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design supervision, etc.	$172,934	$195,666	$42,016
2. Construction	1,586,838	2,281,500	160,838
3. Major repairs and preservation of buildings and grounds			135,000
Total obligations	1,759,772	2,477,166	337,854
Financing:			
Unobligated balance brought forward	−2,611,792	−2,542,020	−187,854
Unobligated balance carried forward	2,542,020	187,854	
Appropriation (new obligational authority)	1,690,000	123,000	150,000

The first stage of the building program, started in 1956, provided for a women's residence hall and a physical activities-heating plant building which have been opened for use and are completed except for final furnishing items. Appropriations in 1957 provided for a classroom-science building and a speech and hearing center which are under construction and are scheduled to be opened during

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1959. Provision was made by appropriations in 1958 for a cafeteria and service building (student union) and a men's dormitory. Contracts for these buildings have been let, together with a consolidated contract for roads, walks, grading, boiler and laundry equipment, and outside services. These projects are scheduled for completion during 1960.

Planning costs of $123,000 for the fourth stage of the construction program were appropriated in 1959.

The following table shows the construction program and estimated costs:

Project	Stage I, 1956	Stage II, 1957	Stage III, 1958	Stage IV
Women's residence hall	$691,500			
Physical activities-heating plant building	1,533,500			
Classroom-science building		$1,543,000		
Speech and hearing center		444,000		
Additional boiler and laundry equipment		510,000		
Cafeteria and service building			$990,000	
Men's residence hall			600,000	
Auditorium				$592,000
Classrooms and dormitories, Kendall School				863,000
Greenhouses				50,000
Athletic fields and stands				285,000
Maintenance group building				60,000
Maintenance group personnel apartments				30,000
Outside services, roads, walks, and grading		50,000	100,000	260,000
Estimated cost	2,225,000	2,547,000	1,690,000	2,140,000
Appropriations	2,225,000	2,547,000	1,690,000	123,000

An amount of $150,000 is requested for initiation of a program of renovation and repair of the existing buildings on the Gallaudet campus.

Object Classification

		1958 actual	1959 estimate	1960 estimate
02	Travel	$20	$200	
03	Transportation of things	273	300	
06	Printing and reproduction	5,271	13,495	$500
07	Other contractual services	172,484	189,166	177,016
08	Supplies and materials	1,354	1,500	
09	Equipment	46,756	159,900	69,100
10	Lands and structures	1,533,614	2,112,605	91,238
	Total obligations	1,759,772	2,477,166	337,854

HOWARD UNIVERSITY

Current authorizations:

Salaries and Expenses

For the partial support of Howard University, including personal services and miscellaneous expenses and repairs to buildings and grounds, [$3,953,700] *$4,617,000. (20 U. S. C. 123; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, [a] **$4,350,300** Estimate 1960, **$4,617,000**

[a] Includes $396,600 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General administration	$708,556	$756,506	$782,738
2. Resident instruction and departmental research	4,161,499	4,876,312	5,138,801
3. General library	208,459	203,556	228,233
4. Operation and maintenance of physical plant	1,021,234	1,001,744	1,039,276
5. Auxiliary enterprises and noneducational expense	1,179,203	1,229,291	1,229,291
Total obligations	7,278,951	8,067,409	8,418,339
Financing:			
Advances and reimbursements from—			
Other accounts	−$308,173	−$375,315	−$403,902
Non-Federal sources	−2,988,278	−3,341,794	−3,397,437
Appropriation (new obligational authority)	3,982,500	4,350,300	4,617,000

NOTE.—Reimbursements from non-Federal sources above are from tuition, other student fees, gifts and grants, endowment income, and sales by auxiliary enterprises.

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 will provide an estimated 54.8% of the operating costs in 1960.

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 the physical plant.*—The operation and maintenance staff services 40 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.

	1958 actual	1959 estimate	1960 estimate
Gross enrollments	5,356	5,510	5,700

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Non-Federal employees:			
	Total number of permanent positions	881	960	992
	Full-time equivalent of all other positions	210	213	213
	Average number of all employees	1,091	1,173	1,205
	Number of employees at end of year	1,425	1,515	1,547
	Average grade and salary established by board of trustees	3.9 $3,377	4.0 $3,794	4.0 $4,035
	Average salary of instructional grades	$6,206	$6,950	$6,954
01	Personal services:			
	Permanent positions	$4,165,883	$4,911,598	$5,190,868
	Positions other than permanent	766,450	824,706	824,706
	Other personal services	5,547	5,550	5,550
	Total personal services	4,937,880	5,741,854	6,021,124
02	Travel	77,472	80,304	80,304
03	Transportation of things	3,107	3,573	3,573
04	Communication services	53,884	54,109	54,109
05	Rents and utility services	105,874	121,800	121,800
06	Printing and reproduction	52,994	59,798	59,798
07	Other contractual services	390,077	374,606	401,206
08	Supplies and materials	845,056	830,438	841,228
09	Equipment	286,027	269,561	297,255
11	Grants, subsidies, and contributions	416,870	418,039	421,213
12	Pensions, annuities, and insurance claims	20,663	20,147	20,147
15	Taxes and assessments	84,047	93,180	96,582
	Total obligations	7,278,951	8,067,409	8,418,339

Plans and Specifications

For [the preparation of plans and specifications for construction] *a survey of a steam and electrical production and distribution system,* under the supervision of the General Services Administration, on the grounds of Howard University, [of a physical education building,

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HOWARD UNIVERSITY—Continued

Current authorizations—Continued

PLANS AND SPECIFICATIONS—Continued

$123,000] *$21,000*, to remain available until [June 30, 1960] *expended. (20 U. S. C. 123; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$123,000** Estimate 1960, **$21,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Law school building	$2,174	$2,000	
2. Administration building	500		
3. Men's dormitory	1,706		
4. Preclinical medical building	1,975		
5. Physical education building	32,790	168,210	
6. Home economics building	49,123	20,878	
7. Survey of steam and electrical production and distribution			$21,000
Total obligations	88,268	191,088	21,000
Financing:			
Unobligated balance brought forward	−14,623	−76,355	−8,267
Unobligated balance carried forward	76,355	8,267	8,267
Appropriation (new obligational authority)	150,000	123,000	21,000

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 two additional projects, namely: a home economics building and a physical education building, are underway and are expected to be completed during 1959. The estimate provides for a survey of the steam and electrical production and distribution system.

Object Classification

		1958 actual	1959 estimate	1960 estimate
02	Travel			$500
06	Printing and reproduction		$9,000	
07	Other contractual services	$88,268	182,088	20,500
	Total obligations	88,268	191,088	21,000

CONSTRUCTION PROGRAM

Since 1945 the Federal Government has undertaken to finance 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 program and the estimated obligational authority available through 1959. Appropriations of $11,323,004 have been made to liquidate $12,718,004 in contract authorizations, leaving an estimated balance of $1,395,000 for the auditorium-fine arts building to be financed to the extent needed. An appropriation of $860,000 is requested for 1960 to liquidate a portion of the unfinanced contract authorization.

OBLIGATIONAL AUTHORITY THROUGH 1959

Project	*Direct appropriation*	*Contract authorization including escalation and cancellations*	*Total obligational authority*	*Status of project*
Auditorium-fine arts building	$1,122,080	$3,005,905	$4,127,985	To be completed in 1960.
Power substation	272,000		272,000	To be completed in 1959.
Men's dormitory	96,000	1,802,200	1,898,200	Completed in 1959.[1]
Preclinical medical building	4,436,000		4,436,000	Do.
Law school building	325,000	977,100	1,302,100	Completed.
Biology-greenhouse building	231,000	1,539,500	1,770,500	Do.
Administration building	348,000	1,186,500	1,534,500	Do.
Pharmacy building	904,500		904,500	Do.
Dental building	1,542,221	1,715,459	3,257,680	Do.
Engineering building	712,700	1,406,160	2,118,860	Do.
Women's dormitory	665,220	1,085,180	1,750,400	Do.
Science hall alterations	307,240		307,240	Do.
Other	642,000		642,000	Do.
Total	11,603,961	12,718,004	24,321,965	

[1] Except for equipment.

CONSTRUCTION OF AUDITORIUM-FINE ARTS BUILDING (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred under authority previously provided, to enter into contracts for the construction of the auditorium-fine arts building, $860,000.

Estimate, 1960, **$860,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Auditorium-fine arts building (total obligations)	$2,470,905		
Financing:			
Unobligated balance brought forward:			
Appropriation	−1,610,905		
Contract authorization		−$535,000	−$535,000
Unobligated balance carried forward: contract authorization	535,000	535,000	535,000
Contract authorization (new obligational authority)	1,395,000		

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year		$1,395,000	$1,395,000
Contract authorization (new)	$1,395,000		
Unfunded balance at end of year	−1,395,000	−1,395,000	−535,000
Appropriation to liquidate contract authorization			860,000

Object Classification

	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
10	Lands and structures	$2,470,905		

[CONSTRUCTION OF MEN'S DORMITORY (LIQUIDATION OF CONTRACT AUTHORIZATION)]

[For payment of obligations incurred under authority previously provided, to enter into contracts for the construction of the men's dormitory, $163,000.] *(20 U. S. C. 123; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$163,000**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Men's dormitory (total obligations)	$124,485	$282,025	
Financing:			
Unobligated balance brought forward:			
Appropriation	−243,510	−119,025	
Contract authorization	−734,800	−734,800	
Unobligated balance carried forward:			
Appropriation	119,025		
Contract authorization	734,800		
Unobligated balance no longer available		571,800	
Contract authorization (new obligational authority)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$735,800	$734,800	
Administrative cancellation of unfunded balance		−571,800	
Unfunded balance at end of year	−734,800		
Appropriation to liquidate contract authorization		163,000	

Object Classification

ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
10 Lands and structures	$124,485	$282,025	

Construction of Buildings

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Auditorium-fine arts building	$411,893	$328,261	$265,529
2. Science hall alterations	−706	793	
3. Law school building	12,559	21,500	
4. Biology-greenhouse building	1,963	724	
5. Administration building	−18,015	23,122	
6. Men's dormitory	48,193	19,215	
7. Preclinical medical building	135,818	147,909	
8. Pharmacy building	3,876	8,620	
9. Dental building	195,745	132,945	
10. Engineering building	1,310		
11. Powerplant—electrical substation	68,005	12,464	
12. Powerplant—repairs	1,074	113	
13. Telephone duct distribution system	2,270		
Total obligations	863,985	695,666	265,529
Financing:			
Unobligated balance brought forward	−1,661,343	−1,059,358	−265,529
Unobligated balance carried forward	1,059,358	265,529	
Unobligated balance no longer available		98,163	
Appropriation (new obligational authority)	262,000		

Object Classification

HOWARD UNIVERSITY			
07 Other contractual services	$28,119	$9,356	$15,000
08 Supplies and materials	765		
09 Equipment	1,616	52,266	
Total, Howard University	30,500	61,622	15,000
ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
02 Travel	7	50	
03 Transportation of things	137	200	
06 Printing and reproduction	5,383	3,000	
07 Other contractual services	98,099	28,258	
08 Supplies and materials	273	500	
09 Equipment	317,960	602,036	250,529
10 Lands and structures	411,626		
Total, General Services Administration	833,485	634,044	250,529
Total obligations	863,985	695,666	265,529

Construction of Biology-Greenhouse Building (Liquidation of Contract Authorization)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward:			
Contract authorization	−$421,000		
Unobligated balance no longer available	421,000		
Contract authorization (new obligational authority)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$421,200		
Administrative cancellation of unfunded balance	−421,200		
Appropriation to liquidate contract authorization			

OFFICE OF EDUCATION

Current authorizations:

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**]** *20 U. S. C. 15j*), and section 202 of said Act (**[**70 Stat. 925**]** *20 U. S. C. 15bb*), 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–*33*), and section 9 of the Act of August 1, 1956 (**[**70 Stat. 909**]** *20 U. S. C. 34*), including **[**$4,000,000**]** *$2,900,000* for extension and improvement of practical nurse training, and **[**$228,000**]** *$180,000* for vocational education in the fishery trades and industry including distributive occupations therein, **[**$33,750,081**]** *$32,602,081*: *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, 1959.*)

Appropriated 1959, **$33,750,081** Estimate 1960, **$32,602,081**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants to States and Territories under George-Barden Act	$31,879,256	$32,427,081	$32,427,081
2. Other grants to Territories	175,000	175,000	175,000
Total obligations	32,054,256	32,602,081	32,602,081
Financing:			
Unobligated balance no longer available	1,695,825	1,148,000	
Appropriation (new obligational authority)	33,750,081	33,750,081	32,602,081

Grants are made to the States, 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. Additional grants for vocational education are provided through a permanent appropriation.

While the budget recommends continued financial support for these programs in 1960, it is anticipated that no

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OFFICE OF EDUCATION—Continued

Current authorizations—Continued

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION—Continued

funds will be required in the 1961 budget for these programs, should the Congress accept as practicable the recommendations of the Joint Federal-State Action Committee that the States assume this function entirely.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$32,054,256	$32,602,081	$32,602,081

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, 1959.*)

Appropriated 1959, **$2,501,500** Estimate 1960, **$2,501,500**

Program and Financing

	1958 actual	1959 estimate	1960 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 68 land-grant colleges. Each State and Territory receives a minimum of $20,000, the balance being distributed on a basis of population.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$2,501,500	$2,501,500	$2,501,500

GRANTS FOR LIBRARY SERVICES

For grants to the States pursuant to the Act of June 19, 1956, as amended [(70 Stat. 293–296, 911), $6,000,000] (*20 U. S. C. 351–358*), *$5,150,000*: *Provided*, That the amount of any State's allotment from this appropriation which such State certifies will remain unpaid to it on June 30, 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, 1959.*)

Appropriated 1959, **$6,000,000** Estimate 1960, **$5,150,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants to States and Territories (total obligations)	$4,436,674	$5,713,326	$6,000,000
Financing:			
Unobligated balance brought forward		−563,326	−850,000
Recovery of prior year obligations	−120,000		
Unobligated balance carried forward	563,326	850,000	
Unobligated balance no longer available	120,000		
Appropriation (new obligational authority)	5,000,000	6,000,000	5,150,000

Grants are made to the States, 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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$4,436,674	$5,713,326	$6,000,000

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), [$130,000,000] *$142,300,000*: *Provided*, That this appropriation shall also be available for carrying out the provisions of section 6 of such Act. (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$130,000,000** Estimate 1960, **$142,300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payments to local educational agencies	$120,683,226	$122,500,000	$134,200,000
2. Payments to other Federal agencies	5,976,244	7,500,000	8,100,000
Total obligations	126,659,470	130,000,000	142,300,000
Financing:			
Unobligated balance no longer available	340,530		
Appropriation (new obligational authority)	127,000,000	130,000,000	142,300,000

Payments are made to assist in the maintenance and operation of schools in districts overburdened by Federal activities. These payments are made primarily to local school districts. 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.

This program was amended by Public Law 85–620 (72 Stat. 548), making permanent provisions pertaining to children residing on Federal property with a parent working on Federal property, and extending all other provisions of the program until 1961.

In 1960, under current law, payments will be made to about 4,000 school districts enrolling approximately 1,468,000 federally connected pupils in all States, Guam, Hawaii, and Puerto Rico. This compares to some 3,800 districts and about 1,385,000 pupils in 1959. The 1960 estimate will provide approximately 85% of entitlements to eligible school districts, or about the same percentage which the Congress appropriated in 1959.

Legislation, similar to that submitted to the Congress last year, will be proposed to revise the program in order to define more clearly the proper roles of the Federal Government and the local school districts.

Object Classification

	1958 actual	1959 estimate	1960 estimate
OFFICE OF EDUCATION			
11 Grants, subsidies, and contributions	$126,631,462	$129,953,249	$142,253,150
ALLOCATION ACCOUNTS			
Total number of permanent positions	2	4	4
Full-time equivalent of all other positions	1	1	1
Average number of all employees	3	4	4
Number of employees at end of year	2	4	4

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION ACCOUNTS—continued			
Average GS grade and salary	7.0 $4,525	7.0 $4,980	7.0 $4,980
01 Personal services:			
Permanent positions	$7,443	$17,009	$17,086
Positions other than permanent	4,090	4,111	4,227
Other personal services	1,849	4,252	4,272
Total personal services	13,382	25,372	25,585
02 Travel	7	56	56
03 Transportation of things	215	600	600
04 Communication services	32	50	50
05 Rents and utility services	114	150	150
07 Other contractual services	14,221	19,017	18,896
08 Supplies and materials	654	3,255	3,255
09 Equipment	198	200	200
15 Taxes and assessments	294	459	466
Subtotal	29,117	49,159	49,258
Deduct quarters and subsistence charges	1,109	2,408	2,408
Total, allocation accounts	28,008	46,751	46,850
Total obligations	126,659,470	130,000,000	142,300,000
Obligations are distributed as follows:			
Office of Education	$126,631,462	$129,953,249	$142,253,150
Department of Commerce	12,475	30,121	30,220
Department of the Interior	9,098	9,830	9,830
Veterans Administration	6,435	6,800	6,800

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 the Act of September 23, 1950, as amended (20 U. S. C., ch. 14), including not to exceed [$200,000] *$900,000* for necessary expenses during the current fiscal year of technical services rendered by other agencies, [$50,000,000] *$38,500,000*, to remain available until expended: *Provided*, That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare.

[For an additional amount for necessary expenses of technical services rendered by other agencies in connection with titles III and IV of the Act of September 23, 1950, as amended (20 U. S. C., ch. 14), $800,000, to remain available only until June 30, 1959: *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, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$50,800,000** Estimate 1960, **$38,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Assistance to local educational agencies	$61,477,460	$67,427,687	$30,600,000
2. Assistance for school construction on Federal properties:			
(a) Under title II, Public Law 815		36,214	
(b) Under title III, Public Law 815	8,832,030	29,034,144	7,000,000
3. Payments for technical services	849,357	1,000,000	900,000
Total obligations	71,158,847	97,498,045	38,500,000
Financing:			
Unobligated balance brought forward	−19,103,140	−46,698,045	
Recovery of prior year obligations	−103,752		
Unobligated balance carried forward	46,698,045		
Appropriation (new obligational authority)	98,650,000	50,800,000	38,500,000

From 1951 through 1959, $876.9 million has been appropriated for this program, aiding in the construction of an estimated 39,325 classrooms housing about 1.2 million pupils in the States, Hawaii, Puerto Rico, and Guam.

The law was amended by Public Law 85–620 (72 Stat. 548), making permanent provisions for assistance on account of children living on Federal property with a parent employed on that property, and extending assistance for all other categories of Federal impact until 1961.

Funds requested for 1960 will provide approximately 1,250 classrooms for about 37,500 children.

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.*—Technical services rendered by other agencies are necessary in connection with construction for school housing now in process and proposed for 1960.

Legislation, similar to that submitted to the Congress last year, will be proposed to revise the program in order to define more clearly the proper roles of the Federal Government and the local school districts.

Object Classification

	1958 actual	1959 estimate	1960 estimate
OFFICE OF EDUCATION			
11 Grants, subsidies, and contributions	$61,477,460	$67,427,687	$30,600,000
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
Average number of all employees	9	11	13
Number of employees at end of year	0	0	0
01 Personal services: Positions other than permanent	$67,765	$86,800	$109,500
02 Travel	17,534	20,400	25,700
04 Communication services	2,360	2,800	3,500
07 Other contractual services	849,968	1,000,700	900,900
08 Supplies and materials	11	100	100
10 Lands and structures	8,740,380	28,955,358	6,855,000
11 Grants, subsidies, and contributions	3,310	4,100	5,200
15 Taxes and assessments	59	100	100
Total, Housing and Home Finance Agency	9,681,387	30,070,358	7,900,000
Total obligations	71,158,847	97,498,045	38,500,000

Defense Educational Activities

For grants, *loans*, and payments under the National Defense Education Act of 1958 [$40,000,000] (*72 Stat. 1580–1605*), *$150,000,000*, of which [$6,000,000] *$30,000,000* shall be for capital contributions to student loan funds; [$19,000,000] *$1,000,000 shall be for loans for non-Federal capital contributions to student loan funds; $60,000,000* for grants to States and loans to nonprofit private schools for science, mathematics, and modern language teaching facilities and [$1,350,000] *$4,000,000* for grants to States for supervisory and other services; [$3,750,000] *$7,000,000* for grants to States for area vocational education programs; and [$5,400,000] *$15,000,000* for grants to States for testing, guidance, and counseling[: *Provided*, That this paragraph shall be effective only upon enactment into law of H. R. 13247, Eighty-fifth Congress]. (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$40,000,000** Estimate 1960, **$150,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Student loans:			
(a) Contributions to loan funds		$6,000,000	$30,000,000
(b) Loans to educational institutions			1,000,000
2. Science, mathematics, and foreign language instruction:			
(a) Acquisition of equipment and minor remodeling:			
(1) Grants to States		16,720,000	52,800,000
(2) Loans to nonprofit, private schools		2,280,000	7,200,000
(b) Grants to States for supervision and administration		1,350,000	4,000,000
3. National defense fellowships		800,000	13,450,000

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OFFICE OF EDUCATION—Continued

Current authorizations—Continued

DEFENSE EDUCATIONAL ACTIVITIES—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
4. Guidance, counseling, and testing:			
(a) Grants to States		$5,400,000	$15,000,000
(b) Institutes for counseling personnel		2,000,000	5,000,000
5. Advanced training in foreign areas and languages:			
(a) Training centers		375,000	3,050,000
(b) Institutes for language teachers		400,000	3,000,000
(c) Research		25,000	4,000,000
6. Educational media research		500,000	3,000,000
7. Grants to States for area vocational programs		3,750,000	7,000,000
8. Grants to States for statistical services		400,000	1,500,000
Total obligations		40,000,000	150,000,000
Financing:			
Appropriation (new obligational authority)		40,000,000	150,000,000

Grants and payments are made to States and Territories, educational institutions, and individuals for the following purposes:

1. *Student loans.*—Funds are allotted to States, on the basis of enrollments in institutions of higher education, for payments to such institutions to provide capital contributions to student loan funds, and loans are made to institutions, as necessary, for non-Federal capital contributions to the funds.

2. *Science, mathematics, and foreign language instruction.*—Grants are made to States on a matching basis, and loans are made to nonprofit private schools for the acquisition of equipment and minor remodeling of laboratory or other space. Funds are allotted among the States on the basis of school-age population and income per child of school age. Grants are also made to States for supervision and administration of the program, which are allotted on the basis of school-age population; State matching begins in 1960.

3. *National defense fellowships.*—Fellowships will be awarded to 1,500 individuals, an increase of 500 over 1959, and grants are made to institutions where such individuals are enrolled.

4. *Guidance, counseling, and testing.*—Grants are made to States to assist in establishing and maintaining programs of testing, guidance, and counseling Funds are allotted on the basis of school-age population. State matching begins in 1960. Contracts are made with institutions of higher education for operation of institutes for training of counseling personnel, including provision for stipends to those in attendance.

5. *Advanced training in foreign areas and languages.*—Contracts are made with institutions of higher education for one-half the cost of operation of language and area study centers and for full cost of institutes for advanced training of teaching personnel in modern foreign languages. Stipends are paid to persons in attendance. Contracts are made for research and studies in the area of foreign language instruction.

6. *Educational media research.*—Through grants and contracts, research and demonstrations are conducted in the area of utilization of new media for educational purposes.

7. *Grants to States for area vocational programs.*—Grants are made on a matching basis to States for establishing technical and sub-professional training programs.

8. *Grants to States for statistical services.*—Grants are made on a matching basis to assist the States in improving educational statistics. Total payments to any State may not exceed $50,000 annually.

A supplemental appropriation is anticipated for these purposes in 1959 under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services		$25,000	$4,000,000
11 Grants, subsidies, and contributions		39,975,000	146,000,000
Total obligations		40,000,000	150,000,000

EXPANSION OF TEACHING IN EDUCATION OF THE MENTALLY RETARDED

For grants to public or other nonprofit institutions of higher learning and to State educational agencies, pursuant to the Act of September 6, 1958 (72 Stat. 1777), $1,000,000.

Estimate 1960, **$1,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants to institutions of higher education			$686,400
2. Grants to States			313,600
Total obligations			1,000,000
Financing:			
Appropriation (new obligational authority)			1,000,000

1. *Grants to institutions of higher education.*—Grants are made to assist in providing training of professional personnel in fields related to the education of mentally retarded children. The 1960 estimate will provide approximately 5 traineeships at each of 20 institutions and about 198 stimulation grants.

2. *Grants to States.*—Grants are made to State educational agencies to assist in establishing fellowships or traineeships for personnel engaged or preparing to engage in teaching or supervising teachers of the mentally retarded. An average of two traineeships per State is estimated for 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions			$1,000,000

SALARIES AND EXPENSES

For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; coordination of library service on the national level with other forms of adult education; development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; and cooperative research, surveys, and demonstrations in education as authorized by the Act of July 26, 1954 (20 U. S. C. 331–332); [$7,850,000] *$12,800,000,* 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; 72 Stat. 98, 1604, 1700, 1742–43, 1777; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, [a] **$8,786,500** Estimate 1960, **$12,800,000**

[a] Includes $186,500 appropriated in Supplemental Appropriation Act, 1959, and $750,000 appropriated in Independent Offices Appropriation Act, 1959.

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Statistics and research:			
(a) Services	$977,493	$1,108,985	$1,432,580
(b) Cooperative agreements	2,299,887	2,700,000	3,200,000
2. Administration of school assistance in federally affected areas	1,108,956	1,175,675	1,337,600
3. Vocational education	631,841	743,610	838,200
4. Higher education	340,636	878,030	1,681,700
5. International education	186,310	306,050	314,850
6. State and local school systems	893,517	1,499,765	2,642,670
7. Program direction and services	728,913	891,385	1,352,400
8. 1959 program obligated in 1958	16,444	−16,444	
Total obligations	7,183,997	9,287,056	12,800,000
Financing:			
1959 appropriation available in 1958	−16,444	16,444	
Unobligated balance no longer available	18,439		
New obligational authority	7,185,992	9,303,500	12,800,000
New obligational authority:			
Appropriation	$7,000,000	$8,786,500	$12,800,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 241)	185,992		
Appropriation (adjusted)	7,185,992	8,786,500	12,800,000
Proposed supplemental due to pay increases		517,000	

1. *Statistics and research—(a) Services.*—Assistance is provided on planning research studies and major responsibility assumed for collection and analysis of basic educational statistics. Basic data and statistics on library resources are made available, and consultative services are rendered. The Office administers grants to States for rural library services and makes studies and reports on this program. Educational media research grants, authorized by the National Defense Education Act, are administered, and advisory services in the area of educational media are provided.

(b) *Cooperative agreements.*—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 1958, approximately $1.2 million was obligated for 53 projects in education of the mentally retarded and about $1.1 million for 80 projects in other problem areas.

2. *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.

3. *Vocational education.*—Information is developed and publications are issued. Advisory services are provided to Federal, State, and local agencies and to professional groups, and the States are given assistance in the appraisal and development of vocational educational programs. Grants to States for vocational education under the George-Barden and Smith-Hughes Acts are administered. The Office also administers area vocational education grants authorized by the National Defense Education Act.

4. *Higher education.*—Advisory services are provided to Federal and State agencies, to professional groups, and to higher educational institutions; information is developed and publications are issued. The Office administers programs authorized by the National Defense Education Act which relate to higher education institutions, such as the student loan program, foreign language and area centers, institutes for training teaching personnel of modern foreign languages, institutes for training counseling personnel and the fellowship program.

5. *International education.*—Information is developed and disseminated on education in other countries; educational exchange programs are administered in cooperation with the Department of State and International Cooperation Administration.

6. *State and local school systems.*—Information is developed and publications are issued related to elementary and secondary education and to State and local school administration; advisory services are provided to Federal, State, and local agencies, and to professional groups. The Office administers aid programs authorized by the National Defense Education Act, such as financial assistance to States for strengthening science, mathematics, and foreign language instruction; for guidance, counseling, and testing; and for assistance to the States for improvement of statistical services.

7. *Program direction and services.*—Central direction and services to the various programs of the Office are provided, as are informational services. Legislative programs and studies and reports on Federal and State educational legislation are developed; management services to the Office are provided. A program of regional representation has been provided to serve better the needs of education.

The National Defense Education Act was approved September 2, 1958, and an interim appropriation was made available to initiate the program in 1959. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	589	803	1,022
Full-time equivalent of all other positions	13	5	11
Average number of all employees	569	700	994
Number of employees at end of year	598	803	1,022
Average GS grade and salaries	8.8 $6,544	9.0 $7,271	9.1 $7,388
01 Personal services:			
Permanent positions	$3,751,050	$5,056,505	$7,264,563
Positions other than permanent	88,493	40,550	77,280
Other personal services	42,259	32,710	68,368
Total personal services	3,881,802	5,129,765	7,410,211
02 Travel	248,369	394,150	705,575
03 Transportation of things	3,260	6,295	7,345
04 Communication services	79,563	92,685	142,600
06 Printing and reproduction	223,787	353,990	442,995
07 Other contractual services	128,104	148,675	298,511
Cooperative research agreements	2,299,887	2,700,000	3,200,000
08 Supplies and materials	39,391	48,090	68,310
09 Equipment	30,985	106,905	61,905
11 Grants, subsidies, and contributions	228,763	317,785	456,158
13 Refunds, awards, and indemnities	10		
15 Taxes and assessments	3,632	5,160	6,390
1959 program obligated in 1958	16,444	−16,444	
Total obligations	7,183,997	9,287,056	12,800,000

President's Committee on Education Beyond the High School

Program and Financing

	1958 actual	1959 estimate	1960 estima te
Program by activities:			
Staff services, administration, and research (total obligations)	$49,892		
Financing:			
Unobligated balance no longer available	108		
Appropriation (new obligational authority)	50,000		

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OFFICE OF EDUCATION—Continued

Current authorizations—Continued

PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Full-time equivalent of all other positions	4		
Average number of all employees	4		
Number of employees at end of year	0		
01 Personal services:			
Positions other than permanent	$23,467		
Other personal services	4,822		
Total personal services	28,289		
02 Travel	3,319		
03 Transportation of things	416		
04 Communication services	5,280		
06 Printing and reproduction	9,965		
07 Other contractual services	370		
08 Supplies and materials	1,516		
11 Grants, subsidies, and contributions	600		
15 Taxes and assessments	137		
Total obligations	49,892		

Permanent authorizations:

COLLEGES FOR AGRICULTURE AND THE MECHANIC ARTS

Appropriated 1959, **$2,550,000** Estimate 1960, **$2,550,000**

Program and Financing

	1958 actual	1959 estimate	1960 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

	1958 actual	1959 estimate	1960 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 1959, **$7,138,331** Estimate 1960, **$7,138,331**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants to States (total obligations)	$7,133,231	$7,138,331	$7,138,331
Financing:			
Unobligated balance no longer available	5,100		
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 for the purpose of cooperating with 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 recommendations 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 grants under the Smith-Hughes Act of 1917. Therefore, it is not anticipated that the 1961 budget will include funds for this purpose.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$7,133,231	$7,138,331	$7,138,331

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. College housing loan program (Housing and Home Finance Agency)	$21,689	$22,945	
2. Ryukyuan newspaper and radio mission project (Ryukyu Government, Army)	5,651		
3. Survey of research activities in institutions of higher education (National Science Foundation)		34,000	
4. Consultative services to non-Federal agencies	31,502	35,000	$35,000
5. Miscellaneous services to other agencies	14,055	17,000	17,000
6. Other	245		
Total obligations	73,142	108,945	52,000
Financing:			
Advances and reimbursements from—			
Other accounts	42,425	73,945	17,000
Non-Federal sources (40 U. S. C. 481 (c))	31,502	35,000	35,000
Unobligated balance no longer available	−785		
Total financing	73,142	108,945	52,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2	6	
Full-time equivalent of all other positions	1	3	1
Average number of all employees	3	8	1
Number of employees at end of year	2	6	0
Average GS grade and salary	10.0 $8,035	7.8 $6,400	
01 Personal services:			
Permanent positions	$16,980	$33,175	
Positions other than permanent	11,953	17,933	$6,000
Other personal services	140	147	
Total personal services	29,073	51,255	6,000
02 Travel	33,652	37,500	35,000
04 Communication services	200	700	
06 Printing and reproduction	3,610	10,000	8,000
07 Other contractual services	1,153	6,185	3,000
08 Supplies and materials	1,324	340	
09 Equipment		500	
11 Grants, subsidies, and contributions	4,080	2,165	
15 Taxes and assessments	50	300	
Total obligations	73,142	108,945	52,000

Proposed for later transmission:

DEFENSE EDUCATIONAL ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Student loans:			
(a) Contributions to loan funds		$24,000,000	
(b) Loans to educational institutions		1,000,000	

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
2. Science, mathematics, and foreign language instruction:			
(a) Acquisition of equipment and minor remodeling:			
(1) Grants to States		$32,560,000	
(2) Loans to nonprofit private schools		4,440,000	
3. National defense fellowships		4,500,000	
4. Guidance, counseling, and testing:			
(a) Grants to States		2,000,000	
(b) Institutes for counseling personnel		1,000,000	
5. Advanced training in foreign areas and languages:			
(a) Training centers		625,000	
(b) Institutes for language teachers		1,100,000	
(c) Research		2,475,000	
6. Educational media research		1,000,000	
8. Grants to States for statistical services		600,000	
Total obligations		75,300,000	
Financing:			
Proposed supplemental appropriation		75,300,000	

Under existing legislation, 1959.—A supplemental request of $75.3 million is anticipated, since the interim 1959 supplemental appropriation of $40 million to initiate the programs authorized by the National Defense Education Act of 1958 is not sufficient to meet expected requirements.

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Statistics and research: Services		$22,630	
2. Vocational education		24,400	
3. Higher education		184,000	
4. State and local school systems		231,570	
5. Program direction and services		87,400	
Total obligations		550,000	
Financing:			
Proposed supplemental appropriation		550,000	

Under existing legislation, 1959.—A supplemental appropriation of $550,000 is anticipated, since the 1959 appropriation of $750,000 was only an interim appropriation to begin administration of the National Defense Education Act of 1958.

OFFICE OF VOCATIONAL REHABILITATION

Current authorizations:

GRANTS TO STATES [AND OTHER AGENCIES]

For grants to States [and other agencies] in accordance with the Vocational Rehabilitation Act, as amended, [$51,600,000] *$51,900,000*, of which [$45,500,000] *$50,400,000* is for vocational rehabilitation services under section 2 of said Act; *and* $1,500,000 is for extension and improvement projects under section 3 of said Act [; and $4,600,000 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 [$56,000,000] *$59,500,000*, 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, 1959.)*

Appropriated 1959, **$51,600,000** Estimate 1960, [a] **$51,900,000**

[a] Excludes $6,300,000 for activities transferred in the estimates to "Research and training." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Vocational rehabilitation services	$41,083,273	$45,500,000	$50,400,000
2. Extension and improvement projects	1,094,483	1,500,000	1,500,000
Total obligations	42,177,756	47,000,000	51,900,000
Financing:			
Comparative transfers to other accounts	3,599,599	4,600,000	
Unobligated balance no longer available	722,645		
Appropriation (new obligational authority)	46,500,000	51,600,000	51,900,000

1. *Vocational rehabilitation services.*—Federal matching grants are made to States for providing rehabilitation 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

	1958 actual	*1959 estimate*	*1960 estimate*
Grants to States	$42,177,756	$47,000,000	$51,900,000
State matching funds	25,339,432	28,300,000	31,300,000
Number of clients	258,434	284,000	314,000
Number of completed rehabilitations	74,317	82,000	90,000

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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$42,177,756	$47,000,000	$51,900,000

RESEARCH AND TRAINING [AND TRAINEESHIPS]

For *research*, training, and traineeships, *and other special project grants*, 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, [$4,800,000] *and for expenses of studies, investigations, demonstrations, and reports, and of dissemination of information with respect thereto pursuant to section 7 of said Act, $12,500,000.* *(29 U. S. C. 35, 37; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$4,800,000** Estimate 1960, [a] **$12,500,000**

[a] Includes $6,300,000 for activities previously carried under "Grants to States and other agencies." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research and demonstrations	$3,599,599	$4,600,000	$6,300,000
2. Teaching grants	2,105,800	2,441,600	3,294,700
3. Traineeships	2,273,875	2,358,400	2,905,300
Total obligations	7,979,274	9,400,000	12,500,000
Financing:			
Comparative transfers from (−) other accounts	−3,599,599	−4,600,000	
Unobligated balance no longer available	20,325		
Appropriation (new obligational authority)	4,400,000	4,800,000	12,500,000

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OFFICE OF VOCATIONAL REHABILITATION—Con.

Current authorizations—Continued

Research and Training [and Traineeship]—Continued

1. *Research and demonstrations.*—This program supports research and demonstration projects which hold promise of making a contribution to the solution of vocational rehabilitation problems common to all or several States. Funds are made available to public and private nonprofit organizations to cover part of the costs. Selected demonstrations provide prompt and widespread application of research findings and accelerate services to selected groups of severely disabled persons.

	1958 actual		*1959 estimate*		*1960 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Continuation projects	60	$1,626,932	106	$3,200,000	147	$4,100,000
New projects	81	1,972,667	60	1,400,000	75	2,200,000
Total	141	3,599,599	166	4,600,000	222	6,300,000

2 and 3. *Teaching grants and traineeships.*—A program is conducted for training of personnel in professional and technical fields relating to vocational rehabilitation, including teaching grants and traineeship grants to educational institutions, and research fellowships to individuals.

	1958 actual		*1959 estimate*		*1960 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Teaching grants	199	$2,105,800	187	$2,441,600	201	$3,294,700
Traineeships	3,540	2,237,100	2,159	2,258,400	2,257	2,760,300
Research fellowships	10	36,775	25	100,000	35	145,000
Total	-----	4,379,675	-----	4,800,000	-----	6,200,000

Object Classification

		1958 actual	1959 estimate	1960 estimate
02	Travel	$25,972	$25,000	$35,000
07	Other contractual services	----------	----------	75,000
11	Grants, subsidies, and contributions	7,953,302	9,375,000	12,390,000
	Total obligations	7,979,274	9,400,000	12,500,000

Salaries and Expenses

For expenses, *not otherwise provided for*, 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, [$1,400,000] *$1,738,000. (29 U. S. C. 31–42; 49 Stat. 1559; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$1,400,000** Estimate 1960, **$1,738,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. State plans, grants, and program evaluation	$675,062	$770,842	$870,054
2. Specialized services to States	302,744	342,834	388,638
3. Research and demonstrations	59,668	84,238	119,415
4. Training and traineeships	72,746	88,798	118,779
5. Administration	221,345	231,288	241,114
6. 1959 program obligated in 1958	390	−390	----------
Total obligations	1,331,955	1,517,610	1,738,000
Financing:			
1959 appropriation available in 1958	−390	390	----------
Unobligated balance no longer available	15,955	----------	----------
New obligational authority	1,347,520	1,518,000	1,738,000
New obligational authority:			
Appropriation	$1,330,000	$1,400,000	$1,738,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	17,520	----------	----------
Appropriation (adjusted)	1,347,520	1,400,000	1,738,000
Proposed supplemental due to pay increases	----------	118,000	----------

This Office administers grants to States for vocational rehabilitation, vocational rehabilitation research and training, and licensing the blind to operate vending stands on Federal and other properties.

1. *State plans, grants, and program evaluation.*—State plans are approved and allotments and grants are made; field relationships with States are coordinated; overall program plans are developed; program accomplishments are evaluated; special studies are made; a program of research and statistics is conducted; publications are prepared and 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 and services 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 advisory services, are provided.

3. *Research and demonstrations.*—Grants for projects to develop and demonstrate new rehabilitation methods and techniques are administered.

4. *Training and traineeships.*—Grants for training and traineeships to provide additional specialized personnel to work in rehabilitation are administered.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	155	160	184
	Full-time equivalent of all other positions	2	2	2
	Average number of all employees	142	154	174
	Number of employees at end of year	170	180	204
	Average GS grade and salary	8.8 $6,529	8.9 $7,341	9.0 $7,354
01	Personal services:			
	Permanent positions	$976,545	$1,132,787	$1,286,589
	Positions other than permanent	9,568	15,190	15,190
	Other personal services	46,560	85,023	99,921
	Total personal services	1,032,673	1,233,000	1,401,700
02	Travel	95,683	90,000	105,000
03	Transportation of things	8,252	1,500	2,000
04	Communication services	23,129	24,000	28,500
05	Rent and utility services	1,000	2,364	4,400
06	Printing and reproduction	41,071	33,000	39,000
07	Other contractual services	44,466	43,000	49,500
08	Supplies and materials	9,629	10,000	12,000
09	Equipment	13,154	5,000	11,500
11	Grants, subsidies, and contributions	58,138	72,000	80,000
13	Refunds, awards, and indemnities	2,771	2,500	2,500
15	Taxes and assessments	1,599	1,636	1,900
	1959 program obligated in 1958	390	−390	----------
	Total obligations	1,331,955	1,517,610	1,738,000

PUBLIC HEALTH SERVICE

The Service attends to the Federal interest in safeguarding public health by: Providing grants-in-aid; furnishing consultative assistance to States for such public health services as the prevention and control of disease, hospital planning and construction; conducting research in biology and medicine; enforcing foreign and interstate quarantine regulations; disseminating information on health problems; and conducting medical and hospital care programs. To perform these functions the Service is organized as follows:

(1) The Bureau of State Services operates principally in the fields of Federal-State, interstate, and international public health programs, through grants and direct operations involving research, development, demonstrations, consultative services, and training.

(2) The Bureau of Medical Services administers the medical care programs for merchant seamen, coastguardsmen, Indians, Alaskan natives, and other beneficiaries designated by the Congress; furnishes assistance in the

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form of grants and technical services in the planning and construction of public and nonprofit hospitals and other medical care facilities; provides for the construction of medical facilities for Indians both in the form of grants and as direct construction; and through the foreign quarantine program performs examinations of aliens at United States ports and of visa applicants in foreign countries.

(3) The National Institutes of Health constitutes the primary research arm of the Service and is further described in a subsequent statement.

(4) The National Library of Medicine collects and disseminates medical literature.

(5) The Office of the Surgeon General formulates general policy, furnishes central administrative services, and operates special programs such as the national health survey.

A summary of obligations for grants, direct operations, and construction for the Public Health Service follows:

[In thousands]

	1958	*1959*	*1960*
Grants	$386,660	$485,697	$414,420
Direct operations	188,009	209,732	217,670
Construction	7,654	40,499	7,306
Total, Public Health Service	582,323	735,928	639,396

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 nine 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, *in foreign countries,* 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 (f) or section 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, 1959.*)

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; [$22,889,000] *$22,497,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$22,889,000** Estimate 1960, [a] **$22,497,000**

[a] Includes $308,000 for activities transferred in the estimates as follows:

"Grants and special studies, Territory of Alaska"	$64,000
"Control of venereal diseases"	27,000
"Control of tuberculosis"	49,000
"Communicable disease activities"	4,000
"Sanitary engineering activities"	39,000
"Salaries and expenses, hospital construction services"	21,000
"National Cancer Institute"	50,000
"Mental health activities"	35,000
"National Heart Institute"	19,000

The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(*a*) To States for general health	$14,934,646	$15,000,000	$15,000,000
(*b*) For public health training	1,999,963	2,000,000	----------
(*c*) To schools of public health	----------	----------	1,000,000
Total, grants	16,934,609	17,000,000	16,000,000
2. Direct operations:			
(*a*) Technical assistance to States	2,096,884	2,227,900	2,206,200
(*b*) Vital statistics	1,563,389	1,620,100	1,624,000
(*c*) International health activities	136,669	150,400	150,800
(*d*) Special health services:			
(1) Health of the aged and chronic disease	1,031,350	1,153,800	1,155,500
(2) Occupational health	686,326	855,100	869,900
(3) Accident prevention	357,352	373,800	374,400
(*e*) Administration	110,619	115,900	116,200
Total, direct operations	5,982,589	6,497,000	6,497,000
Total obligations	22,917,198	23,497,000	22,497,000
Financing:			
Comparative transfers from (−) other accounts	−295,068	−308,000	----------
Unobligated balance no longer available	83,770	----------	----------
New obligational authority	22,705,900	23,189,000	22,497,000
New obligational authority:			
Appropriation	$22,592,000	$22,889,000	$22,497,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	113,900	----------	----------
Appropriation (adjusted)	22,705,900	22,889,000	22,497,000
Proposed supplemental due to pay increases	----------	300,000	----------

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 1960 estimate will (1) permit the support of State and local public health units; (2) provide specialized health services; (3) stimulate and develop such health services as diabetes control, health services for the aged, occupational health, and accident prevention; (4) stimulate application of new research discoveries; and (5) train public health personnel. The 1959 grant level is proposed to be maintained in 1960.

(*b*) *For public health training.*—Legislation to provide grants and awards to professional personnel for training in public health expires at the end of 1959.

(*c*) *To schools of public health.*—Grants will be made to schools of public health to alleviate the financial deficits resulting from operating costs which exceed tuition payments. These grants will assist in maintaining an adequate supply of trained public health personnel for all levels of government. The 1960 estimate will permit the schools to improve the quality of their public health training by: (1) improvement of staff in number and quality; (2) broadening and improvement of curriculum; and (3) procurement of necessary educational equipment. A supplemental estimate for 1959 is proposed for later transmission.

2. *Direct operations*—(*a*) *Technical assistance to States.*—Assistance is rendered to the States through technical and professional consultative services, conducting special studies of public health practices, and training programs.

(*b*) *Vital statistics.*—Vital statistics data are collected, analyzed, and disseminated on births, deaths, stillbirths, illnesses, marriages, and divorces.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

ASSISTANCE TO STATES, GENERAL—Continued

(*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, and assistance given in the application of techniques through technical assistance, demonstrations, and training.

(2) *Occupational health.*—Research on occupational hazards and diseases such as silicosis and other pneumoconioses is conducted and assistance is provided to Federal, State, and local agencies, and industry in preventing and controlling occupational hazards and diseases.

(3) *Accident prevention.*—A program of research to determine the extent and cause of accidents, and to develop techniques for their prevention and control will be continued and, through demonstrations and technical assistance, the adoption of accident prevention and control techniques will be encouraged.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	730	744	741
Full-time equivalent of all other positions	35	33	33
Average number of all employees	674	721	721
Number of employees at end of year	747	777	775
Average GS grade and salary	6.8 $5,202	6.9 $5,814	6.9 $5,820
01 Personal services:			
Permanent positions	$4,091,431	$4,745,649	$4,739,310
Positions other than permanent	203,486	196,725	196,725
Other personal services	59,338	34,426	46,365
Total personal services	4,354,255	4,976,800	4,982,400
02 Travel	379,339	397,500	400,700
03 Transportation of things	44,313	49,900	46,900
04 Communication services	139,859	49,700	49,400
05 Rents and utility services	107,805	110,800	110,800
06 Printing and reproduction	119,355	117,100	116,700
07 Other contractual services	224,141	245,000	245,000
Services performed by other agencies	25,734	25,200	25,200
Purchase of vital records transcripts	153,486	150,000	150,000
08 Supplies and materials	114,011	91,200	90,900
09 Equipment	117,345	47,500	42,400
11 Grants, subsidies, and contributions	17,117,189	17,215,400	16,215,800
13 Refunds, awards, and indemnities	1,629	700	700
15 Taxes and assessments	18,737	20,200	20,100
Total obligations	22,917,198	23,497,000	22,497,000

CONTROL OF VENEREAL DISEASES

To carry out the purposes of section 314 (a) and 363 of the Act with respect to 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 venereal disease control activities, in such amounts and upon such terms and conditions as the Surgeon General may determine; [$5,400,000] *$4,673,000. (Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$5,400,000** Estimate 1960, [a] **$4,673,000**

[a] Excludes $27,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants to States for venereal disease control	$1,675,964	$2,400,000	$1,700,000
2. Direct operations:			
(*a*) Clinical and laboratory research	709,575	813,000	813,000
(*b*) Technical assistance to States	1,835,646	1,928,000	1,928,000
(*c*) Administration	218,980	232,000	232,000
Total, direct operations	2,764,201	2,973,000	2,973,000
Total obligations	4,440,165	5,373,000	4,673,000
Financing:			
Comparative transfers to other accounts	19,750	27,000	
Unobligated balance no longer available	42,885		
New obligational authority	4,502,800	5,400,000	4,673,000
New obligational authority:			
Appropriation	$4,415,000	$5,400,000	$4,673,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	87,800		
Appropriation (adjusted)	4,502,800	5,400,000	4,673,000

While, during 1958, reported cases of primary and secondary syphilis showed an increase of 6.4% and gonorrhea an increase of 1.7%, there was a total decrease of 1.5% in cases of major venereal diseases reported as compared to 1957. The 350,000 such cases indicate the continued seriousness of the venereal disease problem despite more effective methods of treatment.

1. *Grants to States for venereal disease control.*—Case-finding projects are supported in selected areas where venereal disease incidence and prevalence remain high. It is anticipated that State and local governments in these areas will increase their support of case-finding projects.

2. *Direct operations—(a) Clinical and laboratory research.*—Research and evaluation activities are 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	374	377	377
Full-time equivalent of all other positions	85	122	85
Average number of all employees	423	468	433
Number of employees at end of year	448	474	450
Average GS grade and salary	8.3 $5,628	8.3 $6,222	8.3 $6,222
Average salary of ungraded positions	$4,034	$4,094	$4,094
01 Personal services:			
Permanent positions	$1,998,832	$2,251,651	$2,251,651
Positions other than permanent	374,423	599,723	401,973
Other personal services	10,390	12,926	20,676
Total personal services	2,383,645	2,864,300	2,674,300

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$179,809	$139,300	$139,300
03 Transportation of things	64,706	28,800	28,800
04 Communication services	37,686	31,200	31,200
05 Rents and utility services	34,670	22,300	22,300
06 Printing and reproduction	12,572	13,000	13,000
07 Other contractual services	82,513	84,800	84,800
Services performed by other agencies	11,848	10,000	10,000
Research contracts	64,396	104,000	104,000
08 Supplies and materials	147,764	138,900	138,900
09 Equipment	69,004	52,000	52,000
11 Grants, subsidies, and contributions	1,333,802	1,863,400	1,353,400
13 Refunds, awards, and indemnities	1,382	600	600
15 Taxes and assessments	16,368	20,400	20,400
Total obligations	4,440,165	5,373,000	4,673,000

Control of Tuberculosis

To carry out the purposes of section 314 (b) of the Act, [$6,386,000] *$5,452,000*, of which not less than [$4,000,000] *$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, 1959.*)

Appropriated 1959, **$6,386,000** Estimate 1960, [a] **$5,452,000**

[a] Excludes $49,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants to States for tuberculosis control	$4,493,988	$4,000,000	$3,000,000
2. Direct operations:			
(a) Cooperative applied research	1,844,066	1,811,100	1,811,100
(b) Technical assistance to States	483,285	481,200	481,200
(c) Administration	161,791	159,700	159,700
Total, direct operations	2,489,142	2,452,000	2,452,000
Total obligations	6,983,130	6,452,000	5,452,000
Financing:			
Comparative transfers to other accounts	53,897	49,000	
Unobligated balance no longer available	13,773		
New obligational authority	7,050,800	6,501,000	5,452,000
New obligational authority:			
Appropriation	$7,000,000	$6,386,000	$5,452,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	50,800		
Appropriation (adjusted)	7,050,800	6,386,000	5,452,000
Proposed supplemental due to pay increases		115,000	

The death rate of tuberculosis per 100,000 population decreased from 9.1 in 1955 to 7.8 in 1957 in continental United States. New cases reported declined from 100,000 in 1955 to 87,000 in 1957.

1. *Grants to States for tuberculosis control.*—Grants are made to assist States in planning and administering specific control measures, including training of professional workers, case finding, and case followup. The estimate for 1960 assumes that State and local governments will increase their support of tuberculosis control activities.

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 case finding, case management, and other community tuberculosis control practices.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	225	220	220
Full-time equivalent of all other positions	20	11	11
Average number of all employees	236	220	219
Number of employees at end of year	284	246	246
Average GS grade and salary	6.7 $5,177	6.6 $5,668	6.6 $5,668
01 Personal services:			
Permanent positions	$1,324,303	$1,350,545	$1,345,900
Positions other than permanent	96,129	61,700	61,700
Other personal services	7,059	5,255	9,900
Total personal services	1,427,491	1,417,500	1,417,500
02 Travel	176,356	173,600	173,600
03 Transportation of things	28,778	35,200	35,200
04 Communication services	10,402	12,500	12,500
05 Rents and utility services	19,488	25,200	25,200
06 Printing and reproduction	12,959	12,000	12,000
07 Other contractual services	458,084	427,400	427,400
08 Supplies and materials	243,580	233,500	233,500
09 Equipment	42,116	25,000	25,000
11 Grants, subsidies, and contributions	4,555,875	4,085,400	3,085,400
13 Refunds, awards, and indemnities	1,118		
15 Taxes and assessments	6,883	4,700	4,700
Total obligations	6,983,130	6,452,000	5,452,000

Communicable Disease Activities

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] *three* passenger motor vehicles for replacement only; and hire, maintenance, and operation of aircraft; [$6,600,000] *$8,015,000*. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$6,600,000** Estimate 1960, [a] **$8,015,000**

[a] Includes $487,000 for activities previously carried under "Grants and special studies, Territory of Alaska." Excludes $4,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Disease prevention and control	$6,189,092	$5,885,000	$6,545,000
2. Training	467,101	463,000	463,000
3. Administration	499,110	520,000	520,000
4. Arctic health research	473,853	487,000	487,000
Total obligations	7,629,156	7,355,000	8,015,000
Financing:			
Comparative transfers from (−) other accounts	−469,593	−483,000	
Unobligated balance no longer available	12,337		
New obligational authority	7,171,900	6,872,000	8,015,000
New obligational authority:			
Appropriation	$7,050,000	$6,600,000	$8,015,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	121,900		
Appropriation (adjusted)	7,171,900	6,600,000	8,015,000
Proposed supplemental due to pay increases		272,000	

1. *Disease prevention and control.*—Scientific services in the field of epidemiology, medicine, and biology, including reference diagnostic laboratory services, are provided to State and local health departments through investigations, consultation, and demonstrations. Important disease-control programs include the staphylococ-

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

COMMUNICABLE DISEASE ACTIVITIES—Continued

cal infections; aseptic meningitis; poliomyelitis; viral encephalitis; diarrheal diseases; the acute respiratory diseases; and rodent-borne diseases. Upon request of State health officers, emergency aid is provided to prevent and control disease outbreaks in disaster areas, or during epidemics. During 1958 aid was provided in 76 emergencies in 32 States, the District of Columbia, the Virgin Islands, and Puerto Rico. The higher level in 1959 is for studies and assistance to the States on the emergent problem of staphylococcal infections and for rabies activities in the upper Midwest. The 1960 estimate provides for intensification of the development of the fluorescent antibody diagnostic techniques; studies and assistance to control staphylococcal infections; and funds to cover the cost of moving the Communicable Disease Center to new facilities now under construction in Atlanta, Ga. A supplemental for 1959 is proposed for later transmission.

2. *Training.*—This program provides for training course materials and audiovisual aids on modern public health practices for use by the State and local health departments in training their personnel; evaluation of the effectiveness of training courses; specialized training of Public Health Service personnel in newer methods for disease control; and direction of all Communicable Disease Center training functions.

The following table shows selected measurable workload items:

Workload item	*1957 actual*	*1958 actual*	*1959 estimate*	*1960 estimate*
Laboratory specimens processed	51,393	42,353	52,000	52,000
Training program:				
Trainees	1,099	2,189	2,200	2,200
Courses	61	98	98	98
Audiovisual aids:				
Films loaned or sold	10,830	10,709	12,500	12,500
New productions completed	41	34	52	52

4. *Arctic health research.*—At the Arctic Health Research Center in Alaska, studies are made on problems of low temperature environmental sanitation, endemic and epidemic communicable diseases including diseases transmissible from animals to man, and the nutrition and physiologic problems of Arctic life.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	923	944	1,015
	Full-time equivalent of all other positions	29	7	12
	Average number of all employees	824	865	902
	Number of employees at end of year	894	898	959
	Average GS grade and salary	6.1 $4,718	6.2 $5,295	6.3 $5,351
	Average salary of ungraded positions	$4,003	$4,226	$4,107
01	Personal services:			
	Permanent positions	$4,596,206	$5,289,900	$5,490,900
	Positions other than permanent	147,932	34,900	56,400
	Other personal services	97,468	98,700	113,800
	Total personal services	4,841,606	5,423,500	5,661,100
02	Travel	406,637	297,100	317,400
03	Transportation of things	112,227	69,200	170,800
04	Communication services	117,091	110,700	131,900
05	Rents and utility services	127,323	166,400	219,200
06	Printing and reproduction	77,225	27,000	27,200
07	Other contractual services	393,862	200,800	238,100
	Services performed by other agencies	2,759	3,000	3,000
	Research contracts	279,825	120,000	174,400
08	Supplies and materials	650,442	455,900	532,900
09	Equipment	380,984	180,600	221,000
11	Grants, subsidies, and contributions	208,294	227,000	243,000
13	Refunds, awards, and indemnities	4,135	4,500	4,500
15	Taxes and assessments	26,746	29,300	30,500
	Unclassified (general epidemic and disaster aid)		40,000	40,000
	Total obligations	7,629,156	7,355,000	8,015,000

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 (42 U. S. C. 1857–1857f), and July 9, 1956 (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] *four* passenger motor vehicles for replacement only; [and the] hire, maintenance, and operation of aircraft; [$12,815,000] *and purchase, erection, and maintenance of portable buildings; $14,275,000,* to remain available only until June 30, [1959] *1960. (Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$12,815,000** Estimate 1960, [a] **$14,275,000**

[a] Excludes $39,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Air pollution	$4,044,279	$4,012,200	$4,212,200
2. Water supply and water pollution control:			
(a) Grants to States and interstate agencies	3,000,000	3,000,000	3,000,000
(b) Direct operations	3,306,127	3,738,800	3,787,800
3. Radiological health	404,610	634,100	1,439,100
4. Milk and food sanitation	502,103	511,500	512,300
5. Interstate carrier and general sanitation	515,800	536,600	537,600
6. Sanitary Engineering Center research services	449,144	463,900	465,300
7. Administration	313,858	319,900	320,700
8. 1959 program obligated in 1958	26,441	−26,441	
Total obligations	12,562,362	13,190,559	14,275,000
Financing:			
Comparative transfers to other accounts	37,011	39,000	
1959 appropriation available in 1958	−26,441	26,441	
Unobligated balance no longer available	238,768		
New obligational authority	12,811,700	13,256,000	14,275,000
New obligational authority:			
Appropriation	$12,640,000	$12,815,000	$14,275,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	171,700		
Appropriation (adjusted)	12,811,700	12,815,000	14,275,000
Proposed supplemental due to pay increases		441,000	

This program is concerned with the identification of public health problems related to the 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 welfare, 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. The increase will be utilized in expanding research activities related to automotive exhaust studies.

2. *Water supply and water pollution control.*—Aid is provided in safeguarding public water supplies and protecting the quality of water resources, through grants to States and interstate agencies, collection of basic data, research, demonstrations, and technical assistance. 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

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river basin basis, and for the administration of grants for the construction of waste treatment facilities.

3. *Radiological health.*—Overall stimulation and direct assistance is provided to States and communities in the development of programs to protect the health of the public against radiation hazards. This includes research on public health techniques for control of such hazards; training of local, State, and Federal personnel; and collection, analysis, and dissemination of technical information. The increase proposed for 1960 will be used to (1) expand the epidemiological studies on the long-term effects of radiation on humans and animals and research on the public health significance of background radiation levels in the environment; (2) increase the number of technically competent public health workers in the field of radiological health through graduate training and short-course training; and (3) provide expanded on-the-spot technical consultation to States and communities in all phases of radiological health programs.

4. *Milk and food sanitation.*—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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	$924	$949	$1,032
Full-time equivalent of all other positions	36	40	40
Average number of all employees	881	933	1,006
Number of employees at end of year	1,005	1,052	1,140
Average GS grade and salary	7.0 $5,400	7.3 $6,152	7.3 $6,129
01 Personal services:			
Permanent positions	$5,325,612	$6,155,724	$6,673,141
Positions other than permanent	216,501	271,700	277,813
Other personal services	30,572	29,976	46,446
Total personal services	5,572,685	6,457,400	6,997,400
02 Travel	560,413	568,200	679,400
03 Transportation of things	70,154	62,500	76,300
04 Communication services	81,734	84,900	97,100
05 Rents and utility services	56,241	53,700	60,700
06 Printing and reproduction	88,672	93,000	113,000
07 Other contractual services	170,396	176,300	193,500
Services performed by other agencies	602,827	650,100	672,100
Research contracts	575,390	532,600	742,600
08 Supplies and materials	323,565	212,500	239,500
09 Equipment	345,565	150,400	197,000
10 Lands and structures	5,794		10,000
11 Grants, subsidies, and contributions	4,047,046	4,141,200	4,158,200
13 Refunds, awards, and indemnities	3,138	600	1,600
15 Taxes and assessments	32,301	33,600	36,600
1959 program obligated in 1958	26,441	−26,441	
Total obligations	12,562,362	13,190,559	14,275,000

Grants for Waste Treatment Works Construction

For payments under section 6 of the Water Pollution Control Act, as amended (33 U. S. C. 466e), [$45,000,000] *$20,000,000*, to remain available only until June 30, [1960: *Provided*, That allotments under such section 6 for the current fiscal year shall be made on the basis of $50,000,000] *1961. (Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$45,000,000** Estimate 1960, **$20,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants for construction (total obligations)	$47,708,666	$49,670,242	$25,000,000
Financing:			
Unobligated balance brought forward	−12,378,908	−9,670,242	−5,000,000
Unobligated balance carried forward	9,670,242	5,000,000	
Appropriation (new obligational authority)	45,000,000	45,000,000	20,000,000

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.

It is expected that by the end of 1960 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 1961 budget for sewage treatment works grants, should this recommendation be accepted as practicable by the Congress.

WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Number of projects approved	592	630	244
Number under construction, end of year	507	610	400
Number of projects completed	145	550	610
Total cost of approved projects	$220,400,000	$226,000,000	$114,000,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$47,708,666	$49,670,242	$25,000,000

Grants for Hospital Construction

For [payments] *grants and loans* under parts C, *D*, and G, title VI, of the Act, as amended, [$186,200,000] *$101,200,000*, of which [$150,000,000] *$79,000,000* 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 *part D of* the Act, and [$35,000,000] *$21,000,000* shall be for [payments for] facilities pursuant to part G, as follows: [$7,500,000] *$6,500,000* for diagnostic or treatment centers, [$7,500,000] *$6,500,000* for hospitals for the chronically ill and impaired, [$10,000,000] *$4,000,000* for rehabilitation facilities, and [$10,000,000] *$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, 1959.)*

Appropriated 1959, **$186,200,000** Estimate 1960, **$101,200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction of hospitals, etc., under part C of the Public Health Service Act	$106,211,254	$134,351,388	$107,050,000
2. Construction of medical facilities under part G of the act:			
(*a*) Chronic disease hospitals	4,110,009	6,356,000	6,538,000
(*b*) Diagnostic or treatment centers	7,594,795	7,045,000	6,320,000
(*c*) Rehabilitation facilities	3,470,143	7,292,000	6,814,000
(*d*) Nursing homes	7,471,369	8,892,000	5,678,000
3. Hospital and medical facilities research activities	1,183,430	1,200,000	1,200,000
Total obligations	130,041,000	165,136,388	133,600,000

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

GRANTS FOR HOSPITAL CONSTRUCTION—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$86,082,937	−$76,336,388	−$97,400,000
Recovery of prior year obligations	−148,012		
Unobligated balance carried forward	76,336,388	97,400,000	65,000,000
Unobligated balance no longer available	1,053,561		
Appropriation (new obligational authority)	121,200,000	186,200,000	101,200,000

Federal funds are provided on a grant or loan basis to assist States and Territories, other public agencies, and nonprofit organizations in the 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, and 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 are allocated to the States and Territories on a formula basis which takes into account population and per capita income. Federal participation varies from one-third to two-thirds. Payments are computed and made as construction progresses.

As of November 30, 1958, a total of 4,253 construction projects had been approved, of which 2,801 were completed and in operation, 1,168 under construction, and 284 in preconstruction stages. Upon completion, these projects will provide 182,650 hospital beds and 1,127 public health and other medical facilities. Of the approved projects 65% were for general hospitals, 3% for mental hospitals, 2% for tuberculosis hospitals, 3% for chronic disease hospitals, 3% for nursing homes, 16% for public health centers, 5% for diagnostic centers, 2% for rehabilitation centers, and 1% for State health laboratories.

Object Classification

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		11	20	20
Full-time equivalent of all other positions		3	2	2
Average number of all employees		11	20	21
Number of employees at end of year		23	20	20
Average GS grade and salary		7.3 $5,273	7.9 $6,293	7.9 $6,293
01	Personal services:			
	Permanent positions	$46,500	$132,200	$143,960
	Positions other than permanent	16,033	16,000	10,000
	Other personal services	203	360	720
	Total personal services	62,736	148,560	154,680
02	Travel	26,865	35,000	30,300
03	Transportation of things	244	250	250
04	Communication services	810	1,000	1,000
05	Rents and utility services	332	500	500
06	Printing and reproduction	282	1,685	1,000
07	Other contractual services	2,297	3,000	2,500
08	Supplies and materials	1,197	1,375	1,500
09	Equipment	9,298	2,625	1,500
11	Grants, subsidies, and contributions	129,936,105	164,441,563	132,905,940
15	Taxes and assessments	834	830	830
16	Investments and loans		500,000	500,000
	Total obligations	130,041,000	165,136,388	133,600,000

SALARIES AND EXPENSES, HOSPITAL CONSTRUCTION SERVICES

For salaries and expenses incident to carrying out title VI of the Act, as amended, [$1,600,000] *$1,604,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$1,600,000** Estimate 1960, [a] **$1,604,000**

[a] Excludes $21,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Operations and technical services	$1,369,276	$1,499,800	$1,489,800
2. Administration	102,091	114,200	114,200
Total obligations	1,471,367	1,614,000	1,604,000
Financing:			
Comparative transfers to other accounts	19,963	21,000	
Unobligated balance no longer available	7,270		
New obligational authority	1,498,600	1,635,000	1,604,000
New obligational authority:			
Appropriation	$1,450,000	$1,600,000	$1,604,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	48,600		
Appropriation (adjusted)	1,498,600	1,600,000	1,604,000
Proposed supplemental due to pay increases		35,000	

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 in developing coordinated programs, including planning and designing facilities, 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.

Object Classification

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		169	181	169
Full-time equivalent of all other positions		1	1	1
Average number of all employees		163	165	163
Number of employees at end of year		173	169	169
Average GS grade and salary		8.5 $6,477	8.9 $7,440	8.9 $7,430
01	Personal services:			
	Permanent positions	$1,207,167	$1,331,185	$1,317,670
	Positions other than permanent	4,980	5,000	5,000
	Other personal services	3,740	4,315	8,630
	Total personal services	1,215,887	1,340,500	1,331,300
02	Travel	106,391	107,600	107,600
03	Transportation of things	5,824	5,000	5,000
04	Communication services	3,338	8,600	8,600
05	Rents and utility services	9		
06	Printing and reproduction	16,847	17,000	17,000
07	Other contractual services	28,314	29,000	29,000
08	Supplies and materials	13,400	15,000	15,000
09	Equipment	17,679	17,000	17,000
11	Grants, subsidies, and contributions	60,361	72,000	71,200
13	Refunds, awards, and indemnities	983		
15	Taxes and assessments	2,334	2,300	2,300
	Total obligations	1,471,367	1,614,000	1,604,000

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 [$1,866,000] *$2,167,000* to be available only for payments for medical care of

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dependents and retired personnel under the Dependents' Medical Care Act (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] *eight* passenger motor vehicles for replacement only; and purchase of firearms and ammunition; [$48,454,000] *$45,600,000*, of which $1,000,000 shall be available only for payments to the Territory of Hawaii for care and treatment of persons afflicted with leprosy [and $330,000 shall be available for construction of buildings at Carville, Louisiana]: *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. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$48,454,000** Estimate 1960, **$45,600,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Operation of hospitals	$32,104,743	$34,023,500	$34,586,000
2. Operation of outpatient clinics and offices	4,943,797	5,229,600	5,244,000
3. Operation of health units	16,000	27,600	28,000
4. Coast Guard medical services	1,205,412	1,241,500	1,341,000
5. Development and coordination of nursing resources	345,184	438,100	330,000
6. Nurse training grants	2,980,761	5,950,000	
8. Dependents' medical care	1,184,993	1,866,000	2,167,000
9. Payments to Hawaii	1,000,000	1,000,000	1,000,000
10. Administration	807,293	901,700	904,000
11. 1959 program obligated in 1958	149,627	−149,627	
Total direct obligations	44,737,810	50,528,373	45,600,000
Reimbursable obligations:			
1. Operation of hospitals	3,619,103	3,829,500	4,038,000
3. Operation of health units	427,309	531,500	533,000
5. Development and coordination of nursing resources	2,695		
7. Personnel detailed to other agencies	359,682	323,000	323,000
Total reimbursable obligations	4,408,789	4,684,000	4,894,000
Total obligations	49,146,599	55,212,373	50,494,000
Financing:			
1959 appropriation available in 1958	−149,627	149,627	
Advances and reimbursements from—			
Other accounts	−3,548,914	−3,832,550	−4,226,000
Non-Federal sources (42 U. S. C. 221)	−859,875	−851,450	−668,000
Unobligated balance no longer available	35,697		
New obligational authority	44,623,880	50,678,000	45,600,000
New obligational authority:			
Appropriation	$44,399,000	$48,454,000	$45,600,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	224,000		
Appropriation (adjusted)	44,623,000	48,454,000	45,600,000
Reappropriation	880		
Proposed supplemental due to pay increases		2,224,000	

A total of 16 hospitals and 125 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. Among these, the largest single category is the American seaman, for whom the Marine Hospital Service was established in 1798, and who receives free, comprehensive medical care in its facilities in the United States for all conditions. 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:

AVERAGE DAILY PATIENT LOAD AND ANNUAL TOTAL OUTPATIENT VISITS

	1958 actual	*1959 estimate*	*1960 estimate*
Hospital patients, by type of hospital:			
General hospitals	2,743	2,710	2,724
Tuberculosis hospital	283	275	260
Neuropsychiatric hospitals	1,960	2,000	2,000
Leprosarium	296	295	290
Total	5,282	5,280	5,274
Hospital patients, by type of beneficiary:			
American seamen	2,228	2,200	2,200
Narcotic addicts	1,361	1,385	1,385
Patients with leprosy	298	295	290
Coast Guard	316	319	319
BEC	262	262	262
Veterans	249	250	250
Uniformed service dependents	163	199	199
All other	405	370	369
Total	5,282	5,280	5,274
Hospital outpatient visits	586,803	575,000	575,000

2. *Operation of outpatient clinics and offices.*—This activity consists of 26 full-time outpatient clinics and 99 outpatient offices, with 560,537 visits in 1958, and 545,000 estimated for 1959 and 1960. It also finances care of patients in contract hospitals.

3. *Operation of health units.*—The Service operates health programs for Federal agencies on a reimbursable basis. Consultative and related services are performed for Federal agencies relative to their employee health programs.

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 traineeships to prepare nurses to be teachers, supervisors, and administrators under Public Law 911, approved August 2, 1956. This authorization expires June 30, 1959. Continuation is the subject of a legislative proposal for 1960.

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. Direct care is provided for 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 292 in 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	6,733	6,699	6,855
Full-time equivalent of all other positions	105	105	105
Average number of all employees	6,462	6,467	6,598
Number of employees at end of year	6,896	6,862	7,018
Average GS grade and salary	4.8 $4,149	4.8 $4,597	4.8 $4,579
Average salary of ungraded positions	$3,763	$3,937	$3,930
Personal service obligations:			
Permanent positions	$31,037,806	$33,161,100	$33,850,000
Positions other than permanent	434,122	456,400	448,400
Other personal services	1,175,545	1,221,500	1,348,000
Total personal service obligations	32,647,473	34,839,000	35,646,400

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

HOSPITALS AND MEDICAL CARE—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
01 Personal services	$29,114,965	$31,060,800	$31,672,200
02 Travel	358,398	369,300	345,700
03 Transportation of things	333,106	318,300	325,300
04 Communication services	189,212	201,900	200,300
05 Rents and utility services	546,375	609,900	607,600
06 Printing and reproduction	97,741	98,200	95,500
07 Other contractual services	2,924,487	3,472,200	3,766,100
Services performed by other agencies	844,066	1,050,800	1,130,800
08 Supplies and materials	4,762,372	4,695,600	4,869,500
09 Equipment	587,203	614,700	672,300
10 Lands and structures	850	330,000	
11 Grants, subsidies, and contributions	5,344,569	8,384,000	2,457,200
13 Refunds, awards, and indemnities	12,323		
15 Taxes and assessments	105,585	111,600	128,500
1959 program obligated in 1958	149,627	−149,627	
Subtotal	45,370,879	51,167,673	46,271,000
Deduct quarters and subsistence charges	633,069	639,300	671,000
Total direct obligations	44,737,810	50,528,373	45,600,000
Reimbursable obligations:			
01 Personal services	3,532,508	3,778,200	3,974,200
02 Travel	33,002	28,800	30,000
03 Transportation of things	36,337	37,200	39,000
04 Communication services	18,138	19,800	20,400
05 Rents and utility services	61,739	69,500	71,600
06 Printing and reproduction	9,052	9,600	9,900
07 Other contractual services	72,766	72,400	74,700
Services performed by other agencies	3,769	4,600	4,800
08 Supplies and materials	477,730	476,800	459,800
09 Equipment	57,719	67,800	82,200
11 Grants, subsidies, and contributions	164,417	178,700	187,000
15 Taxes and assessments	13,031	13,300	15,400
Subtotal	4,480,208	4,756,700	4,969,000
Deduct quarters and subsistence charges	71,419	72,700	75,000
Total reimbursable obligations	4,408,789	4,684,000	4,894,000
Total obligations	49,146,599	55,212,373	50,494,000

FOREIGN QUARANTINE ACTIVITIES

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, [$4,108,000: *Provided*, That appropriations under this head for fiscal year 1958 are hereby made available for payment of overtime for the period July 1, 1957 to May 2, 1958 computed in accordance with administrative instructions issued November 4, 1957 by the Public Health Service, Division of Foreign Quarantine] *$4,460,000.*

[Section 364 (c) of the Public Health Service Act, as amended, is amended to read as follows:]

["(c) The Surgeon General shall fix a reasonable rate of extra compensation for overtime services of employees of the United States Public Health Service, Foreign Quarantine Division, performing overtime duties including the operation of vessels, in connection with the inspection or quarantine treatment of persons (passengers and crews), conveyances, or goods arriving by land, water, or air in the United States or any place subject to the jurisdiction thereof, hereinafter referred to as 'employees of the Public Health Service', when required to be on duty between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian (or between the hours of 7 o'clock postmeridian and 7 o'clock antemeridian at stations which have a declared workday of from 7 o'clock antemeridian to 7 o'clock postmeridian), or on Sundays or holidays, such rate, in lieu of compensation under any other provision of law, to be fixed at two times the basic hourly rate for each hour that the overtime extends beyond 6 o'clock (or 7 o'clock as the case may be) postmeridian, and two times the basic hourly rate for each overtime hour worked on Sundays or holidays. As used in this subsection, the term 'basic hourly rate' shall mean the regular basic rate of pay which is applicable to such employees for work performed within their regular scheduled tour of duty."] (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$4,108,000** Estimate 1960, **$4,460,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Examination of aliens and quarantine inspections at United States ports	$3,164,845	$3,492,700	$3,598,100
2. Examination of visa applicants in foreign countries	567,046	586,300	590,300
3. Administration	235,936	270,600	271,600
Total obligations	3,967,827	4,349,600	4,460,000
Financing:			
Unobligated balance no longer available	55,573		
New obligational authority	4,023,400	4,349,600	4,460,000
New obligational authority:			
Appropriation	$3,876,000	$4,108,000	$4,460,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	147,400		
Appropriation (adjusted)	4,023,400	4,108,000	4,460,000
Proposed supplemental due to pay increases		241,600	

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 the introduction of quarantinable diseases. Basic workload data are:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Examinations of aliens	2,678,902	2,870,292	3,162,100	3,449,800
Medical certifications	44,906	26,926	35,500	46,600
Aircraft inspected	61,892	68,703	75,600	83,100
Vessels inspected	34,779	34,120	35,500	36,900
Aircraft treated	15,350	16,964	18,600	20,100
Vessels treated	820	757	800	800
Persons inspected for quarantine	5,018,217	5,217,627	5,580,100	6,024,000
Persons treated	565,109	476,499	500,000	523,400

NOTE.—The figures for persons inspected for quarantine exclude persons who cross daily or frequently to get to work or conduct business who were included in previous workload statements.

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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Total examinations	206,754	190,526	204,800	220,200
Medical notifications	41,574	46,183	47,600	49,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	606	619	619
Full-time equivalent of all other positions	8	8	8
Average number of all employees	525	555	564
Number of employees at end of year	567	582	592
Average GS grade and salary	6.8 $5,107	6.8 $5,638	6.8 $5,638
Average salary of ungraded positions	$4,311	$4,536	$4,536
01 Personal services:			
Permanent positions	$2,902,976	$3,304,700	$3,358,600
Positions other than permanent	43,842	43,800	43,800
Other personal services	212,284	265,500	265,500
Total personal services	3,159,102	3,614,000	3,667,900
02 Travel	100,458	102,700	102,700
03 Transportation of things	53,908	44,200	44,200
04 Communication services	36,179	36,500	36,500
05 Rents and utility services	30,220	30,000	30,000
06 Printing and reproduction	14,628	14,100	14,100
07 Other contractual services	213,088	202,600	227,700
08 Supplies and materials	136,690	125,300	125,300
09 Equipment	104,593	36,400	66,400
11 Grants, subsidies, and contributions	141,504	163,900	165,300
13 Refunds, awards, and indemnities	378		
15 Taxes and assessments	7,945	8,900	8,900
Subtotal	3,998,693	4,378,600	4,489,000
Deduct quarters and subsistence charges	30,866	29,000	29,000
Total obligations	3,967,827	4,349,600	4,460,000

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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 not to exceed $10,000 for temporary services at rates not to exceed $100 per diem for individuals, when authorized by the Surgeon General); purchase of not to exceed [twenty-five] *thirty* passenger motor vehicles, *of which twenty shall be* 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; [$40,473,000] *$43,500,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$40,473,000** Estimate 1960, **$43,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Hospital health services	$24,957,539	$25,519,500	$26,367,000
2. Contract patient care	7,678,823	8,008,000	8,008,000
3. Field health services	6,878,861	7,185,000	7,700,500
4. Program direction	1,094,410	1,424,500	1,424,500
5. 1959 program obligated in 1958	158,540	−158,540	
Total obligations	40,768,173	41,978,460	43,500,000
Financing:			
1959 appropriation available in 1958	−158,540	158,540	
Unobligated balance no longer available	60,110		
New obligational authority	40,669,743	42,137,000	43,500,000
New obligational authority:			
Appropriation	$40,100,000	$40,473,000	$43,500,000
Transferred from "Grants to States for public assistance," Social Security administration (72 Stat. 243)	675,000		
Appropriation (adjusted)	40,775,000	40,473,000	43,500,000
Proposed supplemental due to pay increases		1,664,000	
Applied to contract authorization	−615,572	−510,315	−510,315
Contract authorization (new) (permanent)	510,315	510,315	510,315

1. *Hospital health services.*—This activity finances hospitals, outpatient clinics, and tuberculosis sanatoria in the continental United States and Alaska for the care of Indians and Alaska natives. No change in the eligibility of Alaska natives is proposed as a result of Alaska statehood. Workloads are expected to be as follows:

NUMBER OF HOSPITALS, AVERAGE DAILY PATIENT LOAD (EXCLUDING NEWBORN), AND TOTAL OUTPATIENT TREATMENTS

	Number of hospitals	*1958 actual*	*1959 estimate*	*1960 estimate*
Inpatient load by type of hospitals:				
Continental United States:				
General hospitals	42	1,358	1,390	1,450
Tuberculosis hospitals	4	484	440	415
Alaska: General hospitals	8	731	725	735
Total	54	2,573	2,555	2,600
Outpatient visits (all hospitals)	--	574,235	606,000	640,000

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 CARE LOAD

	1958 actual	*1959 estimate*	*1960 estimate*
By type of patient:			
General patients	372	465	465
Tuberculosis patients	475	335	325
Neuropsychiatric patients	219	250	260
Total	1,066	1,050	1,050

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, and university groups.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	4,690	4,696	4,831
Full-time equivalent of all other positions	100	87	91
Average number of all employees	4,544	4,565	4,680
Number of employees at end of year	4,760	4,800	4,900
Average GS grade and salary	5.1 $4,270	5.1 $4,781	5.1 $4,769
Average salary of ungraded positions	$4,327	$4,329	$4,327
01 Personal services:			
Permanent positions	$20,723,970	$22,311,440	$22,865,320
Positions other than permanent	455,952	419,900	451,350
Other personal services	1,461,109	1,531,360	1,592,630
Total personal services	22,641,031	24,262,700	24,909,300
02 Travel	1,218,037	1,195,450	1,272,600
03 Transportation of things	550,704	390,200	408,700
04 Communication services	250,805	237,200	243,100
05 Rents and utility services	421,530	405,800	406,700
06 Printing and reproduction	67,014	75,400	76,400
07 Other contractual services	9,685,922	9,832,850	9,923,100
Services performed by other agencies	466,910	467,000	467,000
08 Supplies and materials	4,123,906	4,217,250	4,516,800
09 Equipment	690,739	365,700	586,600
11 Grants, subsidies, and contributions	1,111,685	1,308,300	1,338,100
13 Refunds, awards, and indemnities	6,629		
15 Taxes and assessments	70,388	74,850	80,100
1959 program obligated in 1958	158,540	−158,540	
Subtotal	41,463,840	42,674,160	44,228,500
Deduct quarters and subsistence charges	695,667	695,700	728,500
Total obligations	40,768,173	41,978,460	43,500,000

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; [$4,124,000, of which $1,750,000 shall be available for the purposes of Public Law 151, 85th Congress] *$3,087,000,* to remain available until [June 30, 1960] *expended*: *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.* (*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, 1959.*)

Appropriated 1959, **$4,124,000** Estimate 1960, **$3,087,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Hospitals and clinics	$2,323,934	$7,627,508	$2,300,007
2. Personnel quarters	1,032,559	817,322	1,000,000
3. Alterations	886,280	2,952,041	600,218
4. Other plant facilities	286,096	162,904	
5. Community hospitals serving Indians and non-Indians		925,225	824,775
Total obligations	4,528,869	12,485,000	4,725,000
Financing:			
Unobligated balance brought forward	−11,526,172	−10,127,303	−1,766,303
Unobligated balance carried forward	10,127,303	1,766,303	128,303
Appropriation (new obligational authority)	3,130,000	4,124,000	3,087,000

1. *Hospitals and clinics.*—Funds are included for completing the construction of the quarters portion of the hospital at Shiprock, N. Mex. In addition, funds are included for the furnishings of these quarters and quarters for the hospital at Kotzebue, Alaska. Funds for moveable

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION OF INDIAN HEALTH FACILITIES—Continued

equipment for the hospitals at Shiprock, N. Mex., and Gallup, M. Mex., are also requested.

Planning funds are included for a hospital at San Carlos, Ariz.

Funds for construction of the hospital at Sells, Ariz., will be requested through a supplemental for 1959 proposed for later transmission.

2. *Personnel quarters.*—Construction of 36 permanent units is planned in 1960: 32 units in the Continental United States and 4 in Alaska.

3. *Alterations.*—Funds are included for alteration projects at several health facilities and planning of alteration projects at three hospitals (Cass Lake, Minn., Fort Defiance, Ariz., and Talequah, Okla.).

4. *Other plant facilities.*—This activity provides for utility projects such as replacement of sewer lines or electrical systems.

5. *Community hospitals serving Indians and non-Indians.*—Grants are made to communities for construction of hospital facilities in proportion to the ratio of Indians served to total beds.

Object Classification

	1958 actual	1959 estimate	1960 estimate
PUBLIC HEALTH SERVICE			
Average number of all employees	17	17	17
Number of employees at end of year	10	10	10
01 Personal services: Positions other than permanent	$86,780	$86,780	$86,780
02 Travel	4,445	4,200	5,000
03 Transportation of things	21,578	20,700	20,000
04 Communication services	14		
05 Rents and utility services	152	200	1,000
06 Printing and reproduction	39		
07 Other contractual services	170,424	100,000	227,100
08 Supplies and materials	113,337	108,795	99,945
09 Equipment	235,404	75,000	631,500
11 Grants, subsidies, and contributions	154	925,225	824,775
13 Refunds, awards, and indemnities	38		
15 Taxes and assessments	1,922	1,900	1,900
Total, Public Health Service	634,287	1,322,800	1,898,000
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Average number of all employees	6	16	6
Number of employees at end of year	7	20	7
01 Personal services: Positions other than permanent	$50,177	$141,500	$60,000
02 Travel	10,452	29,400	12,000
03 Transportation of things	5		
07 Other contractual services	61,909	174,100	127,700
08 Supplies and materials	3,044	9,000	7,000
10 Lands and structures	3,768,595	10,799,200	2,616,400
11 Grants, subsidies, and contributions	288	9,000	3,900
15 Taxes and assessments	112		
Total, Department of the Interior	3,894,582	11,162,200	2,827,000
Total obligations	4,528,869	12,485,000	4,725,000

GENERAL RESEARCH AND SERVICES, NATIONAL INSTITUTES OF HEALTH

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; and grants of therapeutic and chemical substances for demonstrations and research; $28,974,000: *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] *fifteen* 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: *Provided further,* That all [funds herein appropriated which are expended under any provision of the Act in connection with any] *appropriations made to the Public Health Service in this Act and available for* research or training [project] *projects,* may be expended pursuant to contracts made on a cost or other basis for supplies and services [by negotiation, without regard to section 3709 of the Revised Statutes], 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. (*42 U. S. C. 241, 262 and 263; Department of Health, Education, and Welfare Appropriation Act, 1959*)

Appropriated 1959, **$28,974,000** Estimate 1960, **$28,974,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$9,467,579	$15,337,000	$16,125,000
(b) Research fellowships	1,997,470	3,260,000	3,260,000
(c) Training	2,960,923	6,040,000	6,040,000
Total, grants	14,425,972	24,637,000	25,425,000
2. Direct operations:			
(a) Biologics standards	2,147,923	2,236,000	2,694,000
(b) Review and approval of grants	467,545	817,000	855,000
Total, direct operations	2,615,468	3,053,000	3,549,000
Total obligations	17,041,440	27,690,000	28,974,000
Financing:			
Comparative transfers from (−) other accounts	−2,960,396		
Unobligated balance no longer available	2,956	1,284,000	
New obligational authority	14,084,000	28,974,000	28,974,000
New obligational authority:			
Appropriation	$14,026,000	$28,974,000	$28,974,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	58,000		
Appropriation (adjusted)	14,084,000	28,974,000	28,974,000

The National Institutes of Health constitutes the primary research arm of the Public Health Service. It is made up of the following seven individual institutes each with responsibility for a particular disease category: National Cancer Institute, National Institute of Mental Health, National Heart Institute, National Institute of Dental Research, National Institute of Arthritis and Metabolic Diseases, National Institute of Allergy and Infectious Diseases, National Institute of Neurological Diseases and Blindness.

Operations of the institutes are divided between grant programs largely for support of research and for training of individuals, and activities performed directly or through contracts by the Service. A portion of the funds from each of the eight appropriations is pooled through a management fund to provide central services for all institutes.

A distribution of obligations for the National Institutes of Health by major activity follows:

[In thousands]

	1958 actual	*1959 estimate*	*1960 estimate*
Grants:			
Research projects	$99,954	$138,362	$142,410
Research fellowships	6,434	9,558	10,233
Training	32,585	48,607	50,102
State control programs	8,215	8,375	8,375
Total, grants	147,188	204,902	211,120
Direct operations:			
Research	41,957	47,479	48,851
Review and approval of grants	3,122	4,748	4,977
Professional and technical assistance	5,459	8,232	9,285
Contracts	11,103	18,142	18,142
Other	1,433	1,874	1,904
Total, direct operations	63,074	80,475	83,159
Grand total	210,262	285,377	294,279

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The above figures exclude amounts for construction and construction grants. They include grants for State-control programs for cancer, heart, and mental health which are administered by the Bureau of State Services, and funds for the coordination and development of dental resources which are administered by the Bureau of Medical Services.

The major activities shown in the table above are common to all institutes and are described below. The workload, where applicable, is shown under the appropriate institute together with an explanation of any unique activities.

Grants for research projects.—Grants are made to institutions and to individuals to undertake research projects in the medical and biological sciences. Grants are awarded by the Surgeon General on the basis of merit after review and recommendation by scientifically competent study groups and the appropriate national advisory council.

Research fellowships.—Grants are made to individuals in order to increase the research manpower in the medical sciences. There are several different types of awards such as predoctoral, postdoctoral, and part-time student research fellowships, each designed to develop research talent. Fellowships are reviewed by specialty boards and advisory councils and are awarded on the basis of merit.

Training grants.—Grants are made to institutions to develop or support training programs in the medical sciences and to individual trainees to enable them to undertake special training at an institution of their choice. Awards are made to both graduates and undergraduates. Both institutional and individual grants are awarded by the Surgeon General on the basis of merit after review by an appropriate advisory council.

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 in the cancer, mental health, and heart disease areas.

Direct operations—Research.—The National Institutes of Health conduct research activities largely within the framework of the various specific institutes, directed to the disease categories represented thereby.

Review and approval of grants.—Applications for grants for research projects, fellowships, and training are reviewed for merit by panels of private professional and lay persons distinguished in the field of medical science. Staff of the National Institutes of Health provide the administrative support and executive direction for the national advisory councils and study sections.

Professional and technical assistance.—Professional guidance and leadership are provided to States and other interested organizations in the knowledge and application of research findings through the provision of consultative services, demonstrations, training, field studies and investigations of improved methodology.

Contracts.—In addition to research undertaken through grants and by National Institutes of Health staff, contracts are made with public and private organizations for directed research in cancer chemotherapy.

In addition to an appropriation for each program there is an appropriation for general research and services which finances activities not related to particular categories of disease.

The appropriation for general research and services finances the division of general medical sciences which administers research and training activities relating to basic problems in public health, medical, biological and chemical fields. It also finances the division of biologics standards which is responsible for the regulation of biologic products and the conduct of related research. The activities listed in the Program and financing schedule for the general research and services are described below.

1. *Grants*—(*a*) *Research projects.*—Funds for 1960 will support approximately 1,150 grants compared to 1,099 in 1959.

(*b*) *Research fellowships.*—Approximately 737 fellowships will be supported in 1959 and 1960.

(*c*) *Training.*—Approximately 170 research training programs will be in effect in 1959 and 1960 in the areas of basic biological, medical, and health related sciences, and in the specialties where acute shortages of research trained manpower exist. The experimental training grant program initiated in 1957 will continue in 1959 and 1960.

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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	223	268	268
Full-time equivalent of all other positions	3	4	4
Average number of all employees	191	246	251
Number of employees at end of year	216	284	284
Average GS grade and salary	5.3 $4,417	6.0 $5,211	6.0 $5,211
01 Personal services:			
Permanent positions	$998,599	$1,427,626	$1,458,426
Positions other than permanent	15,118	25,274	25,274
Other personal services	65,258	59,400	64,600
Total personal services	1,078,975	1,512,300	1,548,300
02 Travel	36,474	59,700	59,700
03 Transportation of things	16,609	10,000	10,000
04 Communication services	15,225	19,000	18,200
05 Rents and utility services	500	500	500
06 Printing and reproduction	3,135	4,000	4,000
07 Other contractual services	47,234	34,000	22,800
Reimbursement to "National Institutes of Health management fund"	732,187	828,000	866,000
08 Supplies and materials	526,360	508,800	505,800
09 Equipment	120,419	38,000	473,000
11 Grants, subsidies, and contributions	14,461,660	24,673,000	25,462,800
13 Refunds, awards, and indemnities	685		
15 Taxes and assessments	3,442	4,500	4,700
Subtotal	17,042,905	27,691,800	28,975,800
Deduct quarters and subsistence charges	1,465	1,800	1,800
Total obligations	17,041,440	27,690,000	28,974,000

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; [$75,268,000] *$75,218,000. (42 U. S. C. 281–286; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$75,268,000** Estimate 1960, [a] **$75,218,000**

[a] Excludes $50,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

NATIONAL CANCER INSTITUTE—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$23,298,311	$28,632,000	$29,209,000
(b) Research fellowships	1,169,344	1,427,000	1,427,000
(c) Training	4,532,857	6,050,000	6,050,000
(d) State control programs	2,214,023	2,250,000	2,250,000
Total, grants	31,214,535	38,359,000	38,936,000
2. Direct operations:			
(a) Research	9,437,639	10,653,000	11,404,000
(b) Review and approval of grants	538,309	797,000	840,000
(c) Professional and technical assistance	2,641,789	4,504,000	5,532,000
(d) Chemotherapy contracts	11,102,569	18,142,000	18,142,000
(e) Administration	267,418	356,000	364,000
Total, direct operations	23,987,724	34,452,000	36,282,000
Total obligations	55,202,259	72,811,000	75,218,000
Financing:			
Comparative transfers to other accounts	251,801	50,000	
Unobligated balance no longer available	947,940	2,407,000	
Appropriation (new obligational authority)	56,402,000	75,268,000	75,218,000

1. *Grants—(a) Research projects.*—Funds for 1960 will support approximately 2,005 grants compared to 1,966 in 1959 and 1,409 in 1958.

(b) Research fellowships.—Approximately 615 fellowships will be supported in 1959 and 1960, compared to 462 in 1958.

(c) Training.—Grants are awarded to accredited schools for the improvement of instruction in the curriculum; clinical traineeships are awarded to individuals for postgraduate training in such fields as surgery, pathology, radiobiology, and internal medicine, and technician traineeships for specialized cytologic training; and grants are awarded to research training centers for individual traineeships. The following table summarizes these grants:

	1958 actual	*1959 estimate*	*1960 estimate*
Improvement of instruction	139	138	138
Clinical traineeships	165	165	165
Technician traineeships	30	85	85
Research training centers	33	55	55

(d) State control programs.—Funds are provided to States and Territories on a formula basis, to support activities such as consultation in the establishment of registries in cancer clinics, evaluation of diagnostic and therapeutic results, support of diagnostic and treatment clinics, and home nursing care for patients.

2. *Direct operations—(a) Research.*—Research is conducted in biochemistry, biology, biometry, epidemiology, chemotherapy, endocrinology, environmental cancer, pathology, physiology, radiation, and surgery.

(c) Professional and technical assistance.—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. Contracts are made with public and private nonprofit organizations for virus studies and diagnostic test development.

(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

	1958 actual	1959 estimate	1960 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	1,000	1,179	1,221
Full-time equivalent of all other positions	57	52	52
Average number of all employees	1,015	1,163	1,218
Number of employees at end of year	1,105	1,316	1,343
Average GS grade and salary	5.6 $4,644	5.7 $5,115	5.8 $5,115
01 Personal services:			
Permanent positions	$5,409,923	$6,527,800	$6,920,500
Positions other than permanent	259,177	246,300	248,500
Other personal services	86,173	81,700	104,100
Total personal services	5,755,273	6,855,800	7,273,100
02 Travel	239,427	281,000	324,500
03 Transportation of things	42,114	48,300	63,300
04 Communication services	77,549	110,500	112,000
05 Rents and utility services	12,711	17,100	17,100
06 Printing and reproduction	90,869	97,500	105,200
07 Other contractual services	10,853,920	18,532,800	19,127,700
Reimbursement to "National Institutes of Health management fund"	4,409,249	5,147,000	5,889,000
08 Supplies and materials	1,389,948	1,818,200	1,877,100
09 Equipment	548,322	627,500	557,300
11 Grants, subsidies, and contributions	31,432,669	38,612,100	39,205,700
13 Refunds, awards, and indemnities	1,160	2,000	2,000
15 Taxes and assessments	24,360	28,400	31,200
Subtotal	54,877,571	72,178,200	74,585,200
Deduct quarters and subsistence charges	19,136	17,200	17,200
Total, Public Health Service	54,858,435	72,161,000	74,568,000
ALLOCATION TO VETERANS ADMINISTRATION			
Total number of permanent positions	93	125	125
Average number of all employees	55	95	95
Number of employees at end of year	93	117	117
Average GS grade and salary	6.6 $5,391	6.4 $5,642	6.4 $5,642
01 Personal services:			
Permanent positions	$251,796	$498,400	$498,400
Other personal services	972	2,000	4,000
Total personal services	252,768	500,400	502,400
02 Travel	35,179	77,600	77,600
04 Communication services	37		
06 Printing and reproduction	422	500	500
07 Other contractual services	8,371	10,000	10,000
08 Supplies and materials	9,615	11,000	11,000
09 Equipment	23,163	22,100	20,100
11 Grants, subsidies, and contributions	13,728	27,400	27,400
15 Taxes and assessments	541	1,000	1,000
Total, Veterans Administration	343,824	650,000	650,000
Total obligations	55,202,259	72,811,000	75,218,000

MENTAL HEALTH ACTIVITIES

For expenses necessary for carrying out the provisions of sections 301, 302, 303, 311, 312, and 314 (c) of the Act, with respect to mental diseases, [$52,419,000] *$52,384,000. (Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$52,419,000** Estimate 1960, [a] **$52,384,000**

[a] Excludes $35,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$12,401,994	$16,929,000	$18,803,000
(b) Research fellowships	561,851	1,145,000	1,286,000
(c) Training	13,287,508	17,463,000	18,213,000
(d) State control programs	3,954,997	4,000,000	4,000,000
Total, grants	30,206,350	39,537,000	42,302,000
2. Direct operations:			
(a) Research	5,944,872	6,676,000	6,941,000
(b) Review and approval of grants	621,273	885,000	916,000
(c) Training activities	71,607	100,000	100,000
(d) Professional and technical assistance	1,238,278	1,585,000	1,669,000
(e) Administration	340,590	440,000	456,000
Total, direct operations	8,216,620	9,686,000	10,082,000
Total obligations	38,422,970	49,223,000	52,384,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$817,758	$35,000	
Unobligated balance no longer available	90,272	3,161,000	
New obligational authority	39,331,000	52,419,000	$52,384,000
New obligational authority:			
Appropriation	$39,217,000	$52,419,000	$52,384,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	114,000		
Appropriation (adjusted)	39,331,000	52,419,000	52,384,000

1. *Grants*—(*a*) *Research projects.*—Funds for 1960 will support approximately 839 grants compared to 798 in 1959 and 615 in 1958.

(*b*) *Research fellowships.*—In 1958, 167 fellowships were provided and it is estimated that 280 can be provided in 1959 and 299 in 1960.

(*c*) *Training.*—In 1959, 609 training grants can be awarded, and 659 training grants in 1960. These include funds for about 2,500 traineeships. In 1958, 523 grants provided funds for 1,902 traineeships.

(*d*) *State control programs.*—Grants are made to States and Territories on a formula basis. These grants help to establish, improve, and administer statewide mental health programs, including development of community services at the local level; and the development of pilot projects and demonstrations in areas such as juvenile delinquency, mental illness, school mental health, alcoholism, aging, and industrial mental health.

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).

(*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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	574	745	745
Full time equivalent of all other positions	45	39	39
Average number of all employees	546	680	698
Number of employees at end of year	638	776	856
Average GS grade and salary	7.3 $5,519	7.8 $6,364	7.8 $6,364
01 Personal services:			
Permanent positions	$3,304,798	$4,536,000	$4,669,200
Positions other than permanent	283,275	272,000	272,000
Other personal services	39,187	46,800	62,600
Total personal services	3,627,260	4,854,800	5,003,800
02 Travel	304,335	332,800	335,800
03 Transportation of things	18,896	19,700	19,700
04 Communication services	60,014	58,900	58,900
05 Rents and utility services	41,015	18,700	18,700
06 Printing and reproduction	23,390	25,700	25,700
07 Other contractual services	504,344	351,300	362,300
Reimbursement to "National Institutes of Health management fund"	2,660,283	3,098,000	3,280,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
PUBLIC HEALTH SERVICE—continued			
08 Supplies and materials	$317,338	$386,500	$406,500
09 Equipment	406,212	344,700	365,700
10 Lands and structures	113,000		
11 Grants, subsidies, and contributions	30,317,497	39,686,500	42,460,500
13 Refunds, awards, and indemnities	2,265	200	200
15 Taxes and assessments	17,863	25,200	26,200
Subtotal	38,413,712	49,203,000	52,364,000
Deduct quarters and subsistence charges	4,477	5,000	5,000
Total, Public Health Service	38,409,235	49,198,000	52,359,000
ALLOCATION TO SAINT ELIZABETHS HOSPITAL			
Total number of permanent positions	5	5	5
Average number of all employees	3	5	5
Number of employees at end of year	5	5	5
Average GS grade and salary	5.0 $3,739	5.4 $4,326	5.4 $4,326
01 Personal services:			
Permanent positions	$11,048	$20,919	$20,838
Other personal services	42	81	162
Total personal services	11,090	21,000	21,000
04 Communication services	1,448	1,700	1,700
07 Other contractual services	34	100	100
08 Supplies and materials	500	1,000	1,000
11 Grants, subsidies, and contributions	663	1,200	1,200
Total, Saint Elizabeths Hospital	13,735	25,000	25,000
Total obligations	38,422,970	49,223,000	52,384,000

National Heart Institute

For expenses necessary to carry out the purposes of the National Heart Act, [$45,613,000] *$45,594,000.* (*42 U. S. C. 287; Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$45,613,000** Estimate 1960, [a] **$45,594,000**

[a] Excludes $19,000 for activities transferred in the estimates to "Assistance to States, general." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$19,359,626	$24,616,000	$24,643,000
(*b*) Research fellowships	1,461,435	1,825,000	2,163,000
(*c*) Training	4,239,494	6,607,000	7,152,000
(*d*) State control programs	2,045,540	2,125,000	2,125,000
Total, grants	27,106,095	35,173,000	36,083,000
2. Direct operations:			
(*a*) Research	6,452,432	7,327,000	7,266,000
(*b*) Review and approval of grants	548,202	754,000	790,000
(*c*) Training activities	119,371	154,000	154,000
(*d*) Professional and technical assistance	557,187	1,056,000	1,101,000
(*e*) Administration	141,053	202,000	200,000
Total, direct operations	7,818,245	9,493,000	9,511,000
Total obligations	34,924,340	44,666,000	45,594,000
Financing:			
Comparative transfers to other accounts	1,048,894	19,000	
Unobligated balance no longer available	109,766	928,000	
New obligational authority	36,083,000	45,613,000	45,594,000
New obligational authority:			
Appropriation	$35,936,000	$45,613,000	$45,594,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	147,000		
Appropriation (adjusted)	36,083,000	45,613,000	45,594,000

1. *Grants*—(*a*) *Research projects.*—Approximately 1,505 projects will be supported in 1960, as compared to 1,521 in 1959 and 1,262 in 1958.

(*b*) *Research fellowships.*—Grants are awarded to individuals to increase the number of research workers in

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

NATIONAL HEART INSTITUTE—Continued

the area of cardiovascular diseases. Approximately 535 awards will be supported in 1960 as compared to 482 in 1959 and 434 in 1958.

(*c*) *Training.*—Grants in 1960 will provide assistance to 104 schools of medicine, osteopathy, and public health for support of undergraduate training. Funds will also provide for 200 grants for graduate research and clinical training including 985 traineeships. Funds for 1959 will provide for support of 102 undergraduate schools and for 182 graduate training grants, including 845 traineeships.

(*d*) *State control programs.*—Grants are made to States and Territories distributed on a formula basis. These grants are used to develop community services, epidemiological projects, and methods for applying new technical knowledge in reducing death and disability from heart diseases.

2. *Direct operations*—(*a*) *Research.*—Research emphasizes the acquisition of basic biochemical and physiological knowledge, and includes studies in new and improved therapeutic agents, diagnostic instrumentation, and clinical medicine on coronary artery disease, hypertension, arteriosclerosis, congestive heart failure, and related problems.

(*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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	566	671	671
Full-time equivalent of all other positions	21	13	13
Average number of all employees	532	619	624
Number of employees at end of year	564	655	661
Average GS grade and salary	6.6 $5,192	6.7 $5,664	6.7 $5,664
01 Personal services:			
Permanent positions	$3,167,214	$4,048,300	$4,089,600
Positions other than permanent	94,171	80,100	79,000
Other personal services	23,771	28,800	39,100
Total personal services	3,285,156	4,157,200	4,207,700
02 Travel	150,835	217,000	217,000
03 Transportation of things	27,666	43,000	43,000
04 Communication services	35,413	41,000	41,000
05 Rents and utility services	16,638	11,000	11,000
06 Printing and reproduction	29,676	41,000	41,000
07 Other contractual services	433,172	519,800	519,800
Reimbursement to "National Institutes of Health management fund"	3,092,196	3,640,000	3,573,000
08 Supplies and materials	388,578	428,000	460,000
09 Equipment	253,398	261,000	261,000
11 Grants, subsidies, and contributions	27,220,578	35,308,000	36,220,500
13 Refunds, awards, and indemnities	667		
15 Taxes and assessments	16,987	21,000	21,000
Subtotal	34,950,960	44,688,000	45,616,000
Deduct quarters and subsistence charges	26,620	22,000	22,000
Total obligations	34,924,340	44,666,000	45,594,000

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, $7,420,000. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, $7,420,000 **Estimate 1960, $7,420,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$2,817,538	$3,427,000	$3,444,000
(*b*) Research fellowships	423,951	423,000	423,000
(*c*) Training	449,191	650,000	650,000
Total, grants	3,690,680	4,500,000	4,517,000
2. Direct operations:			
(*a*) Research	1,237,160	1,396,000	1,377,000
(*b*) Review and approval of grants	101,870	133,000	137,000
(*c*) Professional and technical assistance	922,227	983,000	983,000
(*d*) Coordination and development of dental resources	305,793	320,000	320,000
(*e*) Administration	81,903	86,000	86,000
Total, direct operations	2,648,953	2,918,000	2,903,000
Total obligations	6,339,633	7,418,000	7,420,000
Financing:			
Comparative transfers to other accounts	125,933		
Unobligated balance no longer available	14,434	2,000	
New obligational authority	6,480,000	7,420,000	7,420,000
New obligational authority:			
Appropriation	$6,430,000	$7,420,000	$7,420,000
Transferred from "Grants to States for public assistance", Social Security Administration (72 Stat. 243)	50,000		
Appropriation (adjusted)	6,480,000	7,420,000	7,420,000

1. *Grants*—(*a*) *Research projects.*—Approximately 327 grants will be supported in 1959 and 1960 as compared to 292 in 1958.

(*b*) *Research fellowships.*—An estimated 307 fellowships, including 270 part-time dental students, will be supported in 1959 and 1960, as compared to 321 fellowships for 341 students in 1958.

(*c*) *Training.*—Approximately 17 grants will be awarded in 1960 to schools to train some 58 individuals for academic teaching and research careers in the various fields of dental science; the same level as in 1959.

2. *Direct operations*—(*a*) *Research.*—Research is conducted in the fields of periodontal diseases, growth and development, oral surgery, microbiology, pathology, histology, biochemistry, epidemiology, and biometry.

(*c*) *Professional and technical assistance.*—Funds are provided for the development of dental public health methods for widespread application in States and communities and assistance is given to States in establishing and carrying out their programs of prevention, education, and care.

(*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 in all its aspects, and for evaluation and development of methods for extending the availability of dental care to the American people, including investigation of problems associated with payment methods for dental care plans.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	242	253	253
Full-time equivalent of all other positions	38	38	38
Average number of all employees	259	277	277
Number of employees at end of year	320	336	336
Average GS grade and salary	6.5 $4,948	6.8 $5,612	6.8 $5,612
01 Personal services:			
Permanent positions	$1,499,003	$1,791,457	$1,789,504
Positions other than permanent	145,190	152,190	152,190
Other personal services	6,733	10,053	12,006
Total personal services	1,650,926	1,953,700	1,953,700
02 Travel	140,070	117,200	117,200
03 Transportation of things	21,781	14,200	14,200
04 Communication services	8,472	11,000	11,000
05 Rents and utility services	13,153	7,200	7,200

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
06 Printing and reproduction	$15,018	$16,500	$16,500
07 Other contractual services	84,629	107,900	107,900
Reimbursement to "National Institutes of Health management fund"	482,062	531,000	514,000
08 Supplies and materials	126,419	67,500	69,500
09 Equipment	58,464	29,900	29,900
11 Grants, subsidies, and contributions	3,734,182	4,555,800	4,572,800
13 Refunds, awards, and indemnities	600		
15 Taxes and assessments	10,107	12,200	12,200
Subtotal	6,345,883	7,424,100	7,426,100
Deduct quarters and subsistence charges	6,250	6,100	6,100
Total obligations	6,339,633	7,418,000	7,420,000

Arthritis and Metabolic Disease Activities

For expenses necessary to carry out the purposes of the Act relating to arthritis, rheumatism, and metabolic diseases, $31,215,000. (*42 U. S. C. 289a, b, c; Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$31,215,000** Estimate 1960, **$31,215,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$11,036,528	$18,649,000	$18,898,000
(*b*) Research fellowships	305,692	337,000	337,000
(*c*) Training	2,349,852	4,435,000	4,435,000
Total, grants	13,692,072	23,421,000	23,670,000
2. Direct operations:			
(*a*) Research	6,222,856	7,068,000	6,837,000
(*b*) Review and approval of grants	282,089	507,000	546,000
(*c*) Administration	138,940	162,000	162,000
Total, direct operations	6,643,885	7,737,000	7,545,000
Total obligations	20,335,957	31,158,000	31,215,000
Financing:			
Comparative transfers to other accounts	144,172		
Unobligated balance no longer available	1,871	57,000	
New obligational authority	20,482,000	31,215,000	31,215,000
New obligational authority:			
Appropriation	$20,385,000	$31,215,000	$31,215,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	97,000		
Appropriation (adjusted)	20,482,000	31,215,000	31,215,000

1. *Grants*—(*a*) *Research projects.*—Approximately 1,372 grants will be supported in 1959 and 1960 as compared to 990 in 1958.

(*b*) *Research fellowships.*—Sixty-five fellowships are estimated for 1959 and 64 for 1960, as compared to 70 in 1958.

(*c*) *Training.*—During 1959 and 1960 it is estimated that 242 grants will be awarded for the improvement of instruction, and 160 traineeships will be awarded to individuals for specialized postgraduate training. The corresponding grants and traineeships in 1958 were 134 and 52 respectively.

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.

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	444		484		484	
Full-time equivalent of all other positions	8		8		8	
Average number of all employees	405		448		458	
Number of employees at end of year	424		483		483	
Average GS grade and salary	7.4	$5,656	7.5	$6,311	7.5	$6,311
01 Personal services:						
Permanent positions		$2,694,031		$3,150,500		$3,218,800
Positions other than permanent		31,150		36,000		36,000
Other personal services		33,706		38,500		48,400
Total personal services		2,758,887		3,225,000		3,303,200
02 Travel		63,960		101,100		100,800
03 Transportation of things		14,980		18,500		18,500
04 Communication services		25,896		38,300		38,300
06 Printing and reproduction		912		2,100		2,100
07 Other contractual services		243,465		270,800		262,700
Reimbursement to "National Institutes of Health management fund"		2,667,747		3,075,000		2,833,000
08 Supplies and materials		444,189		531,100		525,100
09 Equipment		312,016		367,300		349,500
11 Grants, subsidies, and contributions		13,805,371		23,529,100		23,782,100
13 Refunds, awards, and indemnities		775		1,200		1,200
15 Taxes and assessments		10,470		11,400		11,400
Subtotal		20,348,668		31,170,900		31,227,900
Deduct quarters and subsistence charges		12,711		12,900		12,900
Total obligations		20,335,957		31,158,000		31,215,000

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, $24,071,000, 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, 1959.*)

Appropriated 1959, **$24,071,000** Estimate 1960, **$24,071,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$10,822,981	$14,438,000	$14,438,000
(*b*) Research fellowships	113,181	605,000	801,000
(*c*) Training	579,949	1,787,000	1,787,000
Total, grants	11,516,111	16,830,000	17,026,000
2. Direct operations:			
(*a*) Research	5,608,217	6,501,000	6,577,000
(*b*) Review and approval of grants	185,209	304,000	317,000
(*c*) Administration	123,185	150,000	151,000
Total, direct operations	5,916,611	6,955,000	7,045,000
Total obligations	17,432,722	23,785,000	24,071,000
Financing:			
Comparative transfers to other accounts	73,610		
Unobligated balance no longer available	7,668	286,000	
New obligational authority	17,514,000	24,071,000	24,071,000
New obligational authority:			
Appropriation	$17,400,000	$24,071,000	$24,071,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	114,000		
Appropriation (adjusted)	17,514,000	24,071,000	24,071,000

1. *Grants*—(*a*) *Research projects.*—Funds available for 1960 will support approximately 1,125 grants, the same as 1959, compared to 830 in 1958.

(*b*) *Research fellowships.*—An estimated 113 awards will be made in 1959 and 144 in 1960 for predoctoral, post-

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

ALLERGY AND INFECTIOUS DISEASE ACTIVITIES—Continued

doctoral and special fellowships. This compares to 29 awards in 1958.

(*c*) *Training.*—Funds for 1959 and 1960 will provide approximately 76 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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	509	557	557
Full-time equivalent of all other positions	3	4	4
Average number of all employees	486	545	545
Number of employees at end of year	493	547	547
Average GS grade and salary	5.7 $4,712	6.0 $5,390	6.0 $5,390
Average salary of ungraded positions	$3,298	$3,448	$3,448
01 Personal services:			
Permanent positions	$2,721,452	$3,347,400	$3,347,400
Positions other than permanent	15,520	23,000	23,000
Other personal services	55,055	68,800	78,300
Total personal services	2,792,027	3,439,200	3,448,700
02 Travel	65,598	75,400	75,400
03 Transportation of things	38,785	40,000	40,000
04 Communication services	26,236	30,000	30,000
05 Rents and utility services	29,009	32,000	32,000
06 Printing and reproduction	731	2,000	2,000
07 Other contractual services	206,855	238,000	243,000
Reimbursement to "National Institutes of Health management fund"	1,966,325	2,231,000	2,296,000
08 Supplies and materials	548,425	575,000	585,500
09 Equipment	131,794	180,000	180,000
11 Grants, subsidies, and contributions	11,619,996	16,936,100	17,132,100
13 Refunds, awards, and indemnities	1,435	1,500	1,500
15 Taxes and assessments	11,273	12,000	12,000
Subtotal	17,438,489	23,792,200	24,078,200
Deduct quarters and subsistence charges	5,767	7,200	7,200
Total obligations	17,432,722	23,785,000	24,071,000

NEUROLOGY AND BLINDNESS ACTIVITIES

For expenses necessary to carry out the purposes of the Act relating to neurology and blindness, $29,403,000. (*42 U. S. C. 289a, b, c; Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$29,403,000** Estimate 1960, **$29,403,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$10,749,375	$16,334,000	$16,850,000
(*b*) Research fellowships	401,081	536,000	536,000
(*c*) Training	4,185,083	5,575,000	5,775,000
Total, grants	15,335,539	22,445,000	23,161,000
2. Direct operations:			
(*a*) Research	4,600,216	5,302,000	5,435,000
(*b*) Review and approval of grants	377,455	551,000	576,000
(*c*) Training activities	15,186	50,000	50,000
(*d*) Administration	134,220	174,000	181,000
Total, direct operations	5,127,077	6,077,000	6,242,000
Total obligations	20,462,616	28,522,000	29,403,000
Financing:			
Comparative transfers to other accounts	597,683		
Unobligated balance no longer available	326,701	881,000	
Appropriation (new obligational authority)	21,387,000	29,403,000	29,403,000

1. *Grants*—(*a*) *Research projects.*—Funds for 1960 will support approximately 1,172 grants compared to 1,136 in 1959 and 746 in 1958.

(*b*) *Research fellowships.*—Approximately 259 fellowships, including 167 part-time awards, will be supported in 1959 and 1960, as compared to 232 fellowships in 1958.

(*c*) *Training.*—Funds for 1959 and 1960 will support approximately 158 and 166 grants, respectively, to training institutions to establish and improve programs to train teachers and clinical investigators in neurology, ophthalmology, and otology. Approximately 180 traineeships will be awarded to individuals for specialized postgraduate training in 1959 and 1960. The grants and traineeships were 137 and 112, respectively, in 1958.

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.

(*c*) *Training activities.*—Support is given for in-service training of qualified staff members in subjects related to neurological and other sensory disorders.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	273	361	361
Full-time equivalent of all other positions	22	26	26
Average number of all employees	256	353	364
Number of employees at end of year	302	394	394
Average GS grade and salary	7.2 $5,417	7.2 $5,991	7.2 $5,991
01 Personal services:			
Permanent positions	$1,463,030	$2,148,900	$2,223,900
Positions other than permanent	127,655	165,600	165,600
Other personal services	39,955	44,500	51,000
Total personal services	1,630,640	2,359,000	2,440,500
02 Travel	105,323	113,000	113,000
03 Transportation of things	18,037	18,000	18,000
04 Communication services	25,968	34,000	34,000
05 Rents and utility services	8,766	4,700	4,700
06 Printing and reproduction	15,232	11,100	11,100
07 Other contractual services	472,239	356,600	429,600
Reimbursement to "National Institutes of Health management fund"	2,263,314	2,567,000	2,580,000
08 Supplies and materials	251,030	250,800	246,300
09 Equipment	287,993	291,700	291,700
11 Grants, subsidies, and contributions	15,384,581	22,514,000	23,232,000
13 Refunds, awards, and indemnities	456		
15 Taxes and assessments	8,253	9,600	9,600
Subtotal	20,471,832	28,529,500	29,410,500
Deduct quarters and subsistence charges	9,216	7,500	7,500
Total obligations	20,462,616	28,522,000	29,403,000

GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES

For grants pursuant to the Health Research Facilities Act of 1956, [$30,000,000] *as amended by the Act of August 27, 1958 (72 Stat. 933), $20,000,000.* (*42 U. S. C. 292; Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$30,000,000** Estimate 1960, **$20,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants for construction and equipment (total obligations)	$30,000,000	$30,000,095	$20,000,000
Financing:			
Unobligated balance brought forward	−95	−95	
Unobligated balance carried forward	95		
Appropriation (new obligational authority)	30,000,000	30,000,000	20,000,000

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Funds are proposed for the fourth year of a 6-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, as amended in 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$30,000,000	$30,000,095	$20,000,000

Construction of Animal Quarters, Hamilton, Montana

For the construction of quarters at the Rocky Mountain Laboratory, Hamilton, Montana, for small animals, $150,000, to remain available until expended.

Estimate 1960, **$150,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction and equipment (total obligations)			$150,000
Financing:			
Appropriation (new obligational authority)			150,000

Funds are provided for construction of facilities at Hamilton, Mont., for production of animals for laboratory research on allergy and infectious diseases. This building would replace inadequate temporary facilities. It is proposed to award the construction contract early in 1960. Construction time is estimated at 210 days.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures			$150,000

Research Facilities Construction and Site Acquisition

For the acquisition of a site for research facilities for large animals, including repairs, alterations, and construction of auxiliary facilities and temporary buildings, $150,000, to remain available until expended.

Estimate 1960, **$150,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Acquisition of site (total obligations)			$150,000
Financing:			
Appropriation (new obligational authority)			150,000

Funds are recommended for the acquisition of a site for a large animal facility within reasonable distance of the National Institutes of Health, Bethesda, Md. Present animal housing facilities outside Bethesda, available on a temporary basis, are inadequate to meet growing needs.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
10 Lands and structures			$150,000

Operations, National Library of Medicine

For expenses, not otherwise provided for, necessary to carry out the National Library of Medicine Act (42 U. S. C. 275), [$1,415,000] *$1,566,000. (Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$1,415,000** Estimate 1960, **$1,566,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Library operations (total obligations)	$1,495,609	$1,529,000	$1,566,000
Financing:			
Unobligated balance no longer available	991		
New obligational authority	1,496,600	1,529,000	1,566,000
New obligational authority:			
Appropriation	$1,450,000	$1,415,000	$1,566,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	46,600		
Appropriation (adjusted)	1,496,600	1,415,000	1,566,000
Proposed supplemental due to pay increases		114,000	

The National Library of Medicine 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 bibliographical guides and provides reference and research assistance.

The estimate for 1960 contemplates an increase for measures necessary for the maintenance and preservation of the book collection.

WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Medical publications acquired	88,475	88,500	88,500
Titles cataloged	23,595	23,500	23,500
Volumes bound and repaired	20,537	20,500	20,500
Inquiries answered	8,205	10,000	10,000
Loan requests filled	111,594	115,000	115,000
Pages photographed for orders	1,360,997	1,361,000	1,361,000
Journal articles indexed	110,708	110,000	110,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	224	224	224
Full-time equivalent of all other positions			1
Average number of all employees	215	217	217
Number of employees at end of year	215	221	221
Average GS grade and salary	6.0 $4,696	6.3 $5,334	6.3 $5,428
Average salary of ungraded positions	$3,869	$4,072	$4,279
01 Personal services:			
Permanent positions	$1,040,971	$1,143,100	$1,163,100
Positions other than permanent	1,318	2,500	7,300
Other personal services	28,365	14,400	18,800
Total personal services	1,070,654	1,160,000	1,189,200
02 Travel	9,153	8,800	8,800
03 Transportation of things	395	400	400
04 Communication services	11,486	13,700	13,700
05 Rents and utility services	23,040	23,300	23,300
06 Printing and reproduction	91,543	90,300	90,300
07 Other contractual services	43,112	29,600	29,600
08 Supplies and materials	44,883	45,600	51,800
09 Equipment	136,781	86,600	86,600
11 Grants, subsidies, and contributions	62,317	69,400	71,000
13 Refunds, awards, and indemnities	1,125		
15 Taxes and assessments	1,120	1,300	1,300
Total obligations	1,495,609	1,529,000	1,566,000

Retired Pay of Commissioned Officers

(Indefinite)

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, 213a; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated (est.) 1959, **$1,627,000** Estimate 1960, **$1,753,000**

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

RETIRED PAY OF COMMISSIONED OFFICERS—Continued

(Indefinite)—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Retirement payments and survivors' benefits (total obligations)	$1,451,387	$1,627,000	$1,753,000
Financing:			
Appropriation (new obligational authority)	1,451,387	1,627,000	1,753,000

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 271 retired officers on the rolls on June 30, 1958, and it is anticipated that there will be 285 in 1959 and 299 in 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$1,451,387	$1,627,000	$1,753,000

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, [$5,260,000] *$5,816,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$5,260,000** Estimate 1960, **$5,816,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Public health methods and reports	$1,861,733	$2,080,000	$2,069,600
2. Management and central services	3,376,988	3,586,000	3,746,400
Total obligations	5,238,721	5,666,000	5,816,000
Financing:			
Unobligated balance no longer available	21,279		
New obligational authority	5,260,000	5,666,000	5,816,000
New obligational authority:			
Appropriation	$5,100,000	$5,260,000	$5,816,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	160,000		
Appropriation (adjusted)	5,260,000	5,260,000	5,816,000
Proposed supplemental due to pay increases		406,000	

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 nongovernment organizations; (*d*) staff services for the Surgeon General; and (*e*) publication of Public Health Reports, the official technical journal of the Public Health Service.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	552	557	577
Full-time equivalent of all other positions	2	5	3
Average number of all employees	505	526	544
Number of employees at end of year	545	547	566
Average GS grade and salary	7.5 $5,642	7.6 $6,308	7.6 $6,315
01 Personal services:			
Permanent positions	$3,171,817	$3,501,985	$3,641,135
Positions other than permanent	12,983	32,900	19,900
Other personal services	28,815	19,040	30,340
Total personal services	3,213,615	3,553,925	3,691,375
02 Travel	98,800	125,000	127,900
03 Transportation of things	12,886	12,300	12,300
04 Communication services	227,094	204,000	204,000
05 Rents and utility services	2,857	5,800	5,800
06 Printing and reproduction	159,259	169,840	171,340
07 Other contractual services	113,667	150,225	150,225
Services performed by other agencies	1,110,422	1,154,575	1,154,975
08 Supplies and materials	55,428	52,700	53,000
09 Equipment	60,914	34,150	36,150
11 Grants, subsidies, and contributions	177,556	200,535	205,285
13 Refunds, awards, and indemnities	3,508		
15 Taxes and assessments	4,115	4,350	5,050
Subtotal	5,240,121	5,667,400	5,817,400
Deduct quarters and subsistence charges	1,400	1,400	1,400
Total obligations	5,238,721	5,666,000	5,816,000

[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), including expenses incurred in fiscal year 1958 by the Territory of Alaska incident to planning such facilities, $6,500,000, to remain available until June 30, 1960.] (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$6,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction (total obligations)		$6,500,000	
Financing:			
Appropriation (new obligational authority)		6,500,000	

An appropriation of $6,500,000 was made in 1959 for assistance in the construction of hospital facilities for the care and treatment of Alaskan mentally ill. There is contemplated the construction of 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, 1- or 2-bed brief-care units, with facilities for the administration of preventive and outpatient services, will be provided in general hospitals in strategic areas.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions		$6,500,000	

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[Construction of Dental Research Building]

[For construction and equipment of a dental research building as authorized by Public Law 755, Eightieth Congress, as amended, $3,700,000, to remain available until June 30, 1960.] (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$3,700,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc	$27,912	$58,000	$62,000
2. Construction and equipment		3,163,000	417,000
Total obligations	27,912	3,221,000	479,000
Financing:			
Unobligated balance brought forward			−479,000
Unobligated balance carried forward		479,000	
Unobligated balance no longer available	100,959		
New obligational authority	128,871	3,700,000	
New obligational authority:			
Appropriation		$3,700,000	
Reappropriation	$128,871		

Construction of the dental research building at the National Institutes of Health is scheduled to begin in February 1959 with completion about September 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$11	$100	$100
06 Printing and reproduction	126	3,000	200
07 Other contractual services	27,775	57,900	61,900
09 Equipment		500,000	250,000
10 Lands and structures		2,660,000	166,800
Total obligations	27,912	3,221,000	479,000

[Construction of Library Facilities]

[For construction and equipment of the National Library of Medicine, including furniture, architectural and engineering services, and moving, $6,950,000, which shall be consolidated with funds appropriated under this head in the Second Supplemental Appropriation Act, 1957 (70 Stat. 769), to be disbursed and accounted for as one fund.] (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$6,950,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc	$5,633	$48,000	$90,000
2. Construction and equipment		6,208,000	425,000
Total obligations	5,633	6,256,000	515,000
Financing:			
Unobligated balance brought forward			−719,033
Recovery of prior year obligations	−12,500		
Unobligated balance carried forward		719,033	204,033
Unobligated balance no longer available	25,033		
New obligational authority	18,166	6,975,033	
New obligational authority:			
Appropriation		$6,950,000	
Reappropriation	$18,166	25,033	

Invitations to bid on the construction of the new National Library of Medicine building, to be erected at Bethesda, Md., will be issued by February 1959. The building should be ready for occupancy in the spring of 1961.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$111	$500	$200
06 Printing and reproduction	66	30,000	1,500
07 Other contractual services	5,456	47,500	89,800
09 Equipment			200,000
10 Lands and structures		6,178,000	223,500
Total obligations	5,633	6,256,000	515,000

[Equipment, Communicable Disease Center]

[For purchase and installation of equipment, not otherwise provided, for the Communicable Disease Center Building, Atlanta, Georgia, $1,700,000, to remain available until June 30, 1960.] (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$1,700,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Equipment for communicable disease center building (total obligations)		$1,178,000	$522,000
Financing:			
Unobligated balance brought forward			−522,000
Unobligated balance carried forward		522,000	
Appropriation (new obligational authority)		1,700,000	

Funds were appropriated in 1959 for the purchase and installation of equipment at the communicable disease center building under construction at Atlanta, Ga.

Object Classification

	1958 actual	1959 estimate	1960 estimate
09 Equipment		$1,178,000	$522,000

[General Office Building]

[For construction of a general office building at the National Institutes of Health, including related parking facilities, $9,625,000, which shall be consolidated with funds appropriated under this head in the Second Supplemental Appropriation Act, 1957 (70 Stat. 769), to be disbursed and accounted for as one fund: *Provided*, That the Surgeon General is authorized to convey by quitclaim deed to the appropriate body corporate of the State of Maryland upon such terms and conditions as he may prescribe such portion of land presently included in the site of the National Institutes of Health as may be necessary to permit improvement of the street currently designated as Cedar Lane for the distance that such street runs contiguous to such site: *Provided further*, That such terms and conditions may include an agreement by the Surgeon General to pay on behalf of the United States fifty per centum of the cost of the improvement, but not to exceed $100,000.] (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$9,625,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc	$66,362	$124,000	$137,000
2. Construction		8,612,000	450,000
Total obligations	66,362	8,736,000	587,000

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

[GENERAL OFFICE BUILDING]—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward			−$951,285
Unobligated balance carried forward		$951,285	364,285
Unobligated balance no longer available	$62,285		
New obligational authority	128,647	9,687,285	
New obligational authority:			
Appropriation		$9,625,000	
Reappropriation	$128,647	62,285	

The general office building will house administrative and management personnel of the National Institutes of Health and will consist of two interconnected structures. Plans for the first phase have been completed and those for the second are anticipated by March 1959. Construction is scheduled to begin in June 1959 with completion scheduled for July 1961.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$6	$500	$500
06 Printing and reproduction	133	10,000	1,000
07 Other contractual services	66,223	123,500	136,500
10 Lands and structures		8,602,000	449,000
Total obligations	66,362	8,736,000	587,000

[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 limitation 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, 1959.*)

Appropriated 1959, **$2,165,000**

NOTE.—Estimate of $64,000 has been transferred in the estimates to "Assistance to States, general," and $487,000 to "Communicable disease activities." The amounts obligated for this purpose in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Special grant for general health	$638,000	$638,000	
2. Special grant for mental health	1,000,000	1,000,000	
Total obligations	1,638,000	1,638,000	
Financing:			
Comparative transfers to other accounts	534,585	551,000	
Unobligated balance no longer available	3,815		
New obligational authority	2,176,400	2,189,000	
New obligational authority:			
Appropriation	$2,165,000	$2,165,000	
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	11,400		
Appropriation (adjusted)	2,176,400	2,165,000	
Proposed supplemental due to pay increases		24,000	

This program was initiated to supplement public health services in Alaska to meet the needs of an expanding population and settlement of new areas. The grant programs in Alaska are now being consolidated in a fund which is to be administered by the President, pending the full assumption of these responsibilities by the State of Alaska.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$1,638,000	$1,638,000	

BUILDINGS AND FACILITIES, CINCINNATI, OHIO

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction and equipment (total obligations)	$20,206	$6,500	
Financing:			
Unobligated balance brought forward	−31,124	−10,918	
Unobligated balance carried forward	10,918		
Unobligated balance no longer available		4,418	
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. Obligations will be completed during 1959 and the remaining balance administratively rescinded.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$1,740		
08 Supplies and materials	4,231		
09 Equipment	14,235	$6,500	
Total obligations	20,206	6,500	

CONSTRUCTION OF ANIMAL QUARTERS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc	$13,555		
2. Construction	20,484	$153,890	
Total obligations	34,039	153,890	
Financing:			
Unobligated balance brought forward	−187,929	−153,890	
Unobligated balance carried forward	153,890		
Appropriation (new obligational authority)			

The remaining funds will be used for converting this building from its present use as office space back to its original purpose as animal quarters when the general office building is ready for occupancy.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
04 Communication services	$54		
06 Printing and reproduction	482		
07 Other contractual services	12,397		
08 Supplies and materials	622		
10 Lands and structures	20,484	$153,890	
Total obligations	34,039	153,890	

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Construction of Biologics Standards Laboratory Building

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc.	$30,878	$77,600	$19,060
2. Construction	2,713,686	420,000	81,583
Total obligations	2,744,564	497,600	100,643
Financing:			
Unobligated balance brought forward	−3,342,807	−598,243	−100,643
Unobligated balance carried forward	598,243	100,643	
Appropriation (new obligational authority)			

The biologics standards laboratory building at the National Institutes of Health will provide space and facilities for establishing standards for preparation of biologics, testing of vaccines, and related research. Construction was begun on May 26, 1958, and is scheduled for completion in October 1959.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction	$7,462	$500	$500
07 Other contractual services	30,878	77,600	19,060
09 Equipment		300,000	80,000
10 Lands and structures	2,706,224	119,500	1,083
Total obligations	2,744,564	497,600	100,643

Construction of Research Facilities

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc.	$6,797	$749	
2. Construction	114,663		
Total obligations	121,460	749	
Financing:			
Unobligated balance brought forward	−201,346	−104,490	
Recovery of prior year obligations	−24,604		
Unobligated balance carried forward	104,490		
Unobligated balance no longer available		103,741	
Appropriation (new obligational authority)			

The final items of construction in this account were substantially completed in 1958. After payment of minor administrative costs the balance will be administratively rescinded.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$119		
04 Communication services	238	$35	
06 Printing and reproduction	833		
07 Other contractual services	5,519	714	
08 Supplies and materials	88		
10 Lands and structures	114,663		
Total obligations	121,460	749	

Construction of Surgical Facilities

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc.	$8,417	$33,600	$34,056
2. Construction		1,437,000	43,392
Total obligations	8,417	1,470,600	77,448
Financing:			
Unobligated balance brought forward	−1,556,465	−1,548,048	−77,448
Unobligated balance carried forward	1,548,048	77,448	
Appropriation (new obligational authority)			

Construction of the new surgical facilities at the National Institutes of Health is scheduled to begin about April 15, 1959. The structure is now scheduled for completion in June 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$198	$200	$200
06 Printing and reproduction	133	3,500	200
07 Other contractual services	8,086	33,400	33,856
10 Lands and structures		1,433,500	43,192
Total obligations	8,417	1,470,600	77,448

Dependents' Medical Care

(Indefinite)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$899,410		
Appropriation (new obligational authority)	899,410		

This account, established by supplemental appropriation in 1958, is now included in the appropriation, Hospitals and medical care.

Surveys and Planning for Hospital Construction

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Surveys and planning for hospital construction (total obligations)	$124,409		
Financing:			
Unobligated balance no longer available	1,050,078		
Reappropriation (new obligational authority)	1,174,487		

Provision of financial assistance to States and Territories was discontinued upon expiration of the availability of funds on June 30, 1958.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

SURVEY AND PLANNING FOR HOSPITAL CONSTRUCTION—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$124,409		

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.
"Farm labor supply revolving fund," Bureau of Employment Security, Department of Labor.
"Mutual security," funds appropriated to the President.
"Research, development, test, and evaluation, Navy."
"Salaries and expenses, Bureau of Prisons," Department of Justice.
"Salaries and expenses," Office of Civil and Defense Mobilization.

Public enterprise funds:

OPERATION OF COMMISSARIES, NARCOTIC HOSPITALS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$145,453	$144,167	$146,237
Other expense	60,500	64,733	64,063
Total operating costs	205,953	208,900	210,300
Unfunded adjustment to total operating costs: Depreciation included above (—)	−2,868	−2,477	−2,313
Total operating costs, funded	203,085	206,423	207,987
Capital outlay: Purchase of equipment	437	2,300	1,000
Total program costs, funded	203,522	208,723	208,987
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	−3,296		
Obligations incurred for costs of other years, net		570	938
Total program (obligations)	200,226	209,293	209,925
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities	204,721	206,000	207,200
Other receipts	3,288	3,500	3,800
Total amounts becoming available	208,009	209,500	211,000
Unobligated balance brought forward	17,370	25,153	25,360
Total amounts available	225,379	234,653	236,360
Unobligated balance carried forward	−25,153	−25,360	−26,435
Financing applied to program	200,226	209,293	209,925

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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Commodities for sale	$17,765	$17,589	$17,444	$17,994
Supplies, deferred charges, etc	1,991	2,908	2,870	2,669
Unpaid undelivered orders	8,007	3,970	4,723	5,312
Total selected resources at end of year	27,763	24,467	25,037	25,975
Selected resources at start of year (—)		−27,763	−24,467	−25,037
Costs financed from obligations of other years, net (—)		−3,296		
Obligations incurred for costs of other years, net			570	938

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$437	$2,300	$1,000
Expense:			
Purchase of commodities for sale	145,277	144,022	146,787
Other expense	57,632	62,256	61,750
Increase in selected working capital		1,047	
Total gross expenditures	203,346	209,625	209,537
Receipts from operations (funds provided):			
Revenue	208,009	209,500	211,000
Decrease in selected working capital	2,486		525
Total receipts from operations	210,495	209,500	211,525
Budget expenditures	−7,149	125	−1,988

Revenue, Expense, and Retained Earnings

Revenue	$208,009	$209,500	$211,000
Expense	205,953	208,900	210,300
Net operating income	2,056	600	700
Retained earnings, beginning of year	45,579	47,635	48,235
Retained earnings, end of year	47,635	48,235	48,935

Financial Condition

Assets:			
Cash with Treasury	$35,796	$35,671	$37,659
Accounts receivable	10,761	10,578	10,328
Commodities for sale	17,589	17,444	17,994
Supplies, deferred charges, etc	2,908	2,870	2,669
Equipment, net	9,730	9,553	8,240
Total assets	76,874	76,116	76,890
Liabilities:			
Current	17,434	16,166	16,240
Government investment:			
Non-interest-bearing capital (start and end of year)	11,715	11,715	11,715
Retained earnings	47,635	48,235	48,935
Total Government investment	59,350	59,950	60,650

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$28,647	$35,796	$35,671	$37,659
Obligated balance net:				
Current liabilities	13,944	17,434	16,166	16,240
Unpaid undelivered orders	8,007	3,970	4,723	5,312
Accounts receivable, net (—)	−10,674	−10,761	−10,578	−10,328
Total obligated balance	11,277	10,643	10,311	11,224
Unobligated balance	17,370	25,153	25,360	26,435

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	15	14	14
Average number of all employees	13	14	13
Number of employees at end of year	15	14	14
Average GS grade and salary	3.5 $3,676	3.7 $4,210	3.6 $4,208
01 Personal services:			
Permanent positions	$49,092	$56,997	$55,680
Positions other than permanent	1,320	1,398	1,436
Other personal services	534	570	794
Total personal services	50,946	58,965	57,910
03 Transportation of things	8	150	125
04 Communication services	2	25	25
05 Rents and utility services	559	650	650
06 Printing and reproduction	1,833	1,900	1,900
07 Other contractual services	852	1,000	950
08 Supplies and materials	142,435	140,448	143,540
09 Equipment	282	2,300	1,000
11 Grants, subsidies, and contributions	2,857	3,275	3,250
15 Taxes and assessments	537	580	575
Subtotal	200,311	209,293	209,925
Deduct quarters and subsistence charges	85		
Total obligations	200,226	209,293	209,925

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Intragovernmental funds:

NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research supporting services	$6,329,816	$6,704,000	$6,914,000
2. Clinical supporting services	7,851,860	8,524,000	8,653,000
3. Business operations	3,048,282	3,960,000	4,091,000
4. Program direction	300,066	376,000	371,000
5. Research planning	82,277	114,000	129,000
6. Review and approval of grants	1,594,008	2,157,000	2,371,000
7. Cafeteria	360,937	400,000	400,000
Total obligations	19,567,246	22,235,000	22,929,000
Financing:			
Advances and reimbursements from—			
Other accounts	19,246,357	21,835,000	22,529,000
Non-Federal sources (71 Stat. 220)	362,628	400,000	400,000
Unobligated balance no longer available	−41,739		
Total financing	19,567,246	22,235,000	22,929,000

The National Institutes of Health management fund was established to facilitate the 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 1960 estimate for these activities holds substantially to the 1959 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* provide 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 utility services.

2. *Clinical supporting services* consist of the operation of the 516-bed clinical center together with the laboratory space required for the treatment of research patients.

3. *Business operations* provide the business management and plant safety services including financial management, personnel, supply management, transportation, and housekeeping services.

4. *Program direction* provides for the executive direction of research activities and fosters the extramural research and other activities.

5. *Research planning* provides for advice on the development, installation, and maintenance of the intramural research program and the relationship with related research programs and develops analyses related to the Nation's total medical research resources.

6. *Review and approval of grants* consists of the central administration of the research grant programs through the review of grant applications for eligibility and the formulation of policies and procedures governing the administration of the research grant and fellowship programs.

7. *The cafeteria* of the clinical center is operated by the nutrition department and furnishes meals for sale to employees and visitors at rates sufficient to cover the cost thereof. Income and expenses for 1958, 1959, and 1960 are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Income from cafeteria sales	$362,628	$400,000	$400,000
Expense:			
Foodstuffs and supplies	171,863	184,300	184,300
Preparation of meals	189,074	215,700	215,700
Total expense	360,937	400,000	400,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3,328	3,478	3,543
Full-time equivalent of all other positions	61	58	52
Average number of all employees	3,116	3,226	3,298
Number of employees at end of year	3,271	3,412	3,466
Average GS grade and salary	5.1 $4,254	5.6 $4,926	5.6 $4,923
Average salary of ungraded positions	$3,707	$4,038	$4,041
01 Personal services:			
Permanent positions	$13,477,826	$15,396,500	$15,762,000
Positions other than permanent	339,078	298,600	274,700
Other personal services	525,759	503,100	561,200
Total personal services	14,342,663	16,198,200	16,597,900
02 Travel	228,333	298,500	290,500
03 Transportation of things	27,408	53,200	51,200
04 Communication services	155,450	179,400	179,400
05 Rents and utility services	788,962	1,023,700	1,138,700
06 Printing and reproduction	63,962	85,100	85,100
07 Other contractual services	508,211	577,500	567,500
08 Supplies and materials	2,236,745	2,241,300	2,397,800
09 Equipment	344,396	482,600	504,200
11 Grants, subsidies, and contributions	866,247	1,084,000	1,105,400
13 Refunds, awards, and indemnities	7,054	5,000	5,000
15 Taxes and assessments	26,735	33,500	33,300
Subtotal	19,596,166	22,262,000	22,956,000
Deduct quarters and subsistence charges	28,920	27,000	27,000
Total obligations	19,567,246	22,235,000	22,929,000

SERVICE AND SUPPLY FUND

This fund finances the providing of certain supplies, services, and equipment to programs of the Service. It is reimbursed from the appropriations supporting the programs benefited (42 U. S. C. 231).

Budget program.—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.

Operating results.—Retained earnings amounted to $135,827 as of June 30, 1958, and are being retained in the fund against the possibility of future losses.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Supply depot activities:			
Acquisition of equipment	$5,560	$4,375	$6,975
Expense:			
Purchase of commodities for sale	2,556,305	2,897,554	2,987,169
Other expense	234,904	299,272	298,574
National Institutes of Health activities:			
Acquisition of equipment	15,571	5,440	5,000
Expense:			
Purchase of commodities for sale	1,655,819	1,710,492	1,796,000
Other expense	239,072	809,000	809,000
Increase in selected working capital	61,529	58,431	6,100
Gross expenditures	4,768,760	5,784,564	5,908,818

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PUBLIC HEALTH SERVICE—Continued

Intragovernmental funds—Continued

SERVICE AND SUPPLY FUND—Continued

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Supply depot activities:			
Revenue	$2,745,778	$3,293,000	$3,293,000
Adjustment of prior year revenue	516		
National Institutes of Health activities:			
Revenue	1,850,131	2,530,000	2,616,000
Proceeds from sale of equipment	33		
Adjustment of prior year revenue	2,136		
Total receipts from operations	4,598,594	5,823,000	5,909,000
Budget expenditures	170,166	−38,436	−182

Revenue, Expense, and Retained Earnings

Supply depot activities:			
Revenue	$2,745,778	$3,293,000	$3,293,000
Expense	2,730,928	3,293,000	3,293,000
Net operating income, supply depot activities	14,850		
National Institutes of Health activities:			
Revenue	1,850,131	2,530,000	2,616,000
Expense	1,848,081	2,530,000	2,616,000
Net operating income, National Institutes of Health activities	2,050		
Nonoperating income or loss (−):			
Proceeds from sale of equipment	33		
Net book value of assets sold (−)	−16		
Net gain from sale	17		
Adjustment of prior year revenue	2,652		
Net income for the year	19,569		
Retained earnings, beginning of year	116,258	135,827	135,827
Retained earnings, end of year	135,827	135,827	135,827

Financial Condition

Assets:			
Cash with Treasury	$479,847	$518,283	$518,465
Accounts receivable, net	628,044	685,532	697,032
Commodities for sale	1,264,482	1,175,359	1,175,359
Supplies inventory	3,920	3,920	3,920
Equipment, net	134,084	126,340	120,058
Total assets	2,510,377	2,509,434	2,514,834
Liabilities:			
Current	380,288	379,345	384,745
Government investment:			
Non-interest-bearing capital:			
Start of year	1,993,409	1,994,262	1,994,262
Donated equipment during year	853		
End of year	1,994,262	1,994,262	1,994,262
Retained earnings	135,827	135,827	135,827
Total Government investment	2,130,089	2,130,089	2,130,089

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $287,147; 1958, $291,954; 1959, $288,175; and 1960, $288,175.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	90	179	179
Average number of all employees	86	174	174
Number of employees at end of year	81	176	176
Average GS grade and salary	5.1 $4,149	3.7 $4,067	3.7 $4,067
Average salary of ungraded positions	$3,779	$4,062	$4,062
01 Personal services:			
Permanent positions	$371,522	$728,856	$728,756
Positions other than permanent	582	1,400	1,400
Other personal services	9,159	20,565	23,130
Total personal services	381,263	750,821	753,286
02 Travel	1,703	2,600	2,600
03 Transportation of things	59,140	68,300	70,300
04 Communication services	727	800	900
05 Rents and utility services	12,462	13,300	12,600
06 Printing and reproduction	393,409	450,900	462,700
07 Other contractual services	524,112	606,700	624,000
08 Supplies and materials	3,195,148	3,663,920	3,801,780
09 Equipment	125,719	134,840	141,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$19,867	$43,300	$43,300
13 Refunds, awards, and indemnities	1,075	900	500
15 Taxes and assessments	708	900	900
Subtotal	4,715,333	5,737,281	5,913,866
Deduct quarters and subsistence charges	8,102	11,148	11,148
Add net change in supplies inventory	678		
Total accrued expenditures	4,707,909	5,726,133	5,902,718
Increase or decrease (−) in unpaid undelivered orders	4,807	−3,779	
Total obligations	4,712,716	5,722,354	5,902,718

WORKING CAPITAL FUND, NARCOTIC HOSPITALS

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 investment of the United States Government at the end of 1960 is estimated at $512,859, including $134,300 in appropriation and $65,383 in donated assets. Earnings are retained to meet possible future losses.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets	$17,487	$21,150	$14,900
Expense:			
Purchase of commodities for manufacture or sale	124,293	141,789	158,164
Other expense	386,932	435,496	443,521
Adjustment of prior year expense	41		
Increase in selected working capital	4,160	22,554	2,281
Total gross expenditures	532,913	620,989	618,866
Receipts from operations (funds provided):			
Revenue	581,166	598,500	607,500
Undistributed receipts:			
Proceeds from sale of fixed assets	181		
Disposition of dairy herd	1,916	3,000	3,000
Donated working capital	3,644	500	700
Total receipts from operations	586,907	602,000	611,200
Budget expenditures	−53,994	18,989	7,666

Revenue, Expense, and Retained Earnings

Revenue	$581,166	$598,500	$607,500
Expense	543,726	598,502	607,750
Net operating income or loss (−)	37,440	−2	−250
Nonoperating income or loss (−):			
Proceeds from sale of dairy herd	1,916	3,000	3,000
Net increase in dairy herd (births)	4,344	102	250
Net gain	6,260	3,102	3,250
Proceeds from sale of equipment	181		
Net book value of assets sold	−696		
Net loss (−) from sale	−515		
Adjustment of prior year expense	−41		
Net nonoperating income	5,704	3,102	3,250
Net income for the year	43,144	3,100	3,000
Retained earnings, beginning of year	263,932	307,076	310,176
Retained earnings, end of year	307,076	310,176	313,176

Financial Condition

Assets:			
Cash with Treasury	$82,642	$63,653	$55,987
Accounts receivable, net	55,600	78,577	88,908
Commodities for sale	140,871	142,387	157,387
Work in process	13,177	13,759	14,259
Supplies, deferred charges, etc	88,776	100,083	94,833
Equipment, net	165,808	163,745	157,330
Total assets	546,874	562,204	568,704

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Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$41,315	$53,045	$55,845
Government investment:			
Non-interest-bearing capital:			
Start of year	191,667	198,483	198,983
Donated assets during the year	6,816	500	700
End of year	198,483	198,983	199,683
Retained earnings	307,076	310,176	313,176
Total Government investment	505,559	509,159	512,859

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $13,588; 1958, $16,799; 1959, $21,863; and 1960, $26,458.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	47	52	51
Full-time equivalent of all other positions	3	3	2
Average number of all employees	49	55	53
Number of employees at end of year	46	54	53
Average GS grade and salary	6.5 $4,787	6.6 $5,300	6.6 $5,394
Average salary of ungraded positions	$4,943	$5,124	$5,243
01 Personal services:			
Permanent positions	$222,899	$270,192	$275,325
Positions other than permanent	6,096	9,154	5,476
Other personal services	4,596	5,408	6,638
Total personal services	233,591	284,754	287,439
02 Travel	2,595	2,050	1,800
03 Transportation of things	4,951	5,075	5,100
04 Communication services	499	500	500
05 Rents and utility services	9,481	10,000	10,250
06 Printing and reproduction	226	150	150
07 Other contractual services	10,748	9,330	9,350
08 Supplies and materials	238,500	268,820	267,967
09 Equipment	18,156	19,150	17,900
11 Grants, subsidies, and contributions	13,963	16,600	16,875
13 Refunds, awards, and indemnities	675		
15 Taxes and assessments	150	195	225
Subtotal	533,535	616,624	617,556
Deduct quarters and subsistence charges	2,402	2,318	2,326
Total obligations	531,133	614,306	615,230

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Assistance to States, general	$247,833	$347,000	$330,000
2. Grants and special studies, Alaska	38,246	28,000	
3. Control of venereal diseases	189		
4. Control of tuberculosis	13,997	25,000	25,000
5. Communicable disease activities	415,873	390,000	418,000
6. Sanitary engineering activities	962,160	1,676,542	1,676,600
7. Grants for hospital construction	24		
8. Hospital construction services	446		
9. Foreign quarantine activities	163,631	232,000	232,000
10. Indian health activities	710,744	746,000	746,000
11. General research and services, National Institutes of Health	618		
12. National Cancer Institute	800	12,000	1,000
13. Mental health activities	36,000	45,000	45,000
14. National Heart Institute	932		
15. Dental health activities	38,965	5,000	5,000
16. Arthritis and metabolic disease activities	261,500	379,000	379,000
17. Allergy and infectious disease activities	18,441	13,000	3,000
18. Neurology and blindness activities	8,064		
19. Operations, National Library of Medicine	272		
20. Salaries and expenses	41,497	84,000	84,000
Total obligations	2,960,232	3,982,542	3,944,600
Financing:			
Advances and reimbursements from—			
Other accounts	2,778,485	3,715,842	3,691,100
Non-Federal sources	181,747	266,700	253,500
Total financing	2,960,232	3,982,542	3,944,600

NOTE.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U. S. C. 481 (c)), for travel concerned with the functions or activities of the Department (71 Stat. 224), for personnel detailed to the Juvenile Court, District of Columbia, in accordance with provisions of the District of Columbia Appropriation Act, 1958, and for fees for special inspection services (Third Supplemental Appropriation Act, 1957, Public Law 85-58 and 42 U. S. C. 267).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	235	297	290
Full-time equivalent of all other positions	59	58	54
Average number of all employees	273	332	330
Number of employees at end of year	264	327	325
Average GS grade and salary	6.6 $5,100	6.5 $5,606	6.5 $5,620
Average salary of ungraded positions	$5,729	$5,776	$5,776
01 Personal services:			
Permanent positions	$1,303,327	$1,844,211	$1,838,418
Positions other than permanent	357,758	408,457	386,713
Other personal services	189,602	255,076	257,574
Total personal services	1,850,687	2,507,744	2,482,705
02 Travel	324,683	541,300	542,600
03 Transportation of things	42,305	64,350	64,000
04 Communication services	10,475	20,600	20,600
05 Rents and utility services	3,076	14,600	14,600
06 Printing and reproduction	3,750	12,100	12,100
07 Other contractual services	106,310	122,101	121,715
08 Supplies and materials	504,174	549,195	550,685
09 Equipment	49,962	60,600	46,000
11 Grants, subsidies, and contributions	59,151	80,155	79,775
15 Taxes and assessments	11,459	15,697	15,720
Subtotal	2,966,032	3,988,442	3,950,500
Deduct quarters and subsistence charges	5,800	5,900	5,900
Total obligations	2,960,232	3,982,542	3,944,600

Proposed for later transmission:

ASSISTANCE TO STATES, GENERAL

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Grants to schools of public health (total obligations)		$500,000	
Financing:			
Proposed supplemental appropriation		500,000	

Under existing legislation, 1959.—A supplemental appropriation of $500,000 is anticipated to provide for grants to schools of public health for the expansion and improvement of their teaching programs. Since Public Law 85-544, approved July 22, 1958, authorized this program for a 2-year period, the supplemental will be necessary in order that the program may be started during the first year.

COMMUNICABLE DISEASE ACTIVITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Disease prevention and control (total obligations)		$18,000	
Financing:			
Proposed supplemental appropriation		18,000	

Under existing legislation, 1959.—A supplemental appropriation of $18,000 is anticipated to provide for increased salary rates for wage-board personnel in the Atlanta and Savannah, Ga., areas.

CONSTRUCTION OF INDIAN HEALTH FACILITIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Hospitals and clinics (total obligations)		$1,886,000	
Financing:			
Proposed supplemental appropriation		1,886,000	

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PUBLIC HEALTH SERVICE—Continued

Proposed for later transmission—Continued

CONSTRUCTION OF INDIAN HEALTH FACILITIES—Continued

Under existing legislation, 1959.—Funds appropriated for construction of a new Indian hospital at Sells, Ariz., were reprogramed to support increased costs of other projects, since the absence of an adequate supply of water forced a delay in the Sells project. Water has now been located and funds currently available will finance its development as well as plans for the hospital. It is anticipated that invitations to bid may be issued by May 1, 1959. A supplemental appropriation of $1,886,000 is anticipated to provide construction and equipment of the 50-bed hospital and 34 quarters units.

SAINT ELIZABETHS HOSPITAL

Current authorizations:

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, [$3,154,000] *$3,715,000. (24 U. S. C. 161–221; Department of Health, Education, and Welfare Appropriation Act 1959.)*

Appropriated 1959, ° **$3,186,000** Estimate 1960, **$3,715,000**

° Includes $32,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Operation and maintenance of hospital	$15,655,654	$16,682,250	$17,819,985
2. Operation of farm	37,080	37,560	37,650
3. Operation of cafeteria	96,301	103,270	104,265
4. Training program	208,393	267,920	268,100
5. 1959 program obligated in 1958	163,812	−163,812	
Total obligations	16,161,240	16,927,188	18,230,000
Financing:			
1959 appropriation available in 1958	−163,812	163,812	
Advances and reimbursements from—			
Other accounts	−1,074,752	−1,125,050	−1,217,375
Non-Federal sources (32 D. C. Code 401–416)	−11,783,049	−12,558,950	−13,297,625
Unobligated balance no longer available	26,173		
New obligational authority	3,165,800	3,407,000	3,715,000
New obligational authority:			
Appropriation	$3,085,800	$3,186,000	$3,715,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	80,000		
Appropriation (adjusted)	3,165,800	3,186,000	3,715,000
Proposed supplemental due to pay increases		221,000	

Saint Elizabeths 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.

1. *Operation and maintenance of hospital.*—This major 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.

Actual and estimated average daily patient load is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Federal beneficiaries	1,833	1,860	1,880
District of Columbia residents	5,132	5,095	5,040
Total	6,965	6,955	6,920

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 is authorized to operate a cafeteria for employees and others, and to sell 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 numbers of trainees are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Interns and other postgraduates	47	62	62
Student nurses	82	90	90

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,717	2,773	3,023
Full-time equivalent of all other positions	72	89	89
Average number of all employees	2,681	2,736	2,952
Number of employees at end of year	2,755	2,811	3,027
Average GS grade and salary	4.4 $4,175	4.5 $4,633	4.5 $4,633
Average salary of ungraded positions	$3,612	$3,807	$3,745
01 Personal services:			
Permanent positions	$10,854,894	$11,645,215	$12,537,315
Positions other than permanent	19,055	19,000	19,000
Trainees (interns and residents)	146,595	197,480	197,480
Student nurses	48,484		
Other personal services	510,759	513,970	560,740
Total personal services	11,579,787	12,375,665	13,314,535
02 Travel	4,271	4,400	4,400
03 Transportation of things	6,255	6,300	6,300
04 Communication services	18,873	20,770	21,520
05 Rents and utility services	130,583	133,530	154,930
06 Printing and reproduction	15,499	16,000	16,000
07 Other contractual services	130,277	130,585	138,985
08 Supplies and materials	3,329,339	3,478,150	3,548,330
09 Equipment	177,083	210,000	252,000
11 Grants, subsidies, and contributions	660,606	730,000	787,400
13 Refunds, awards, and indemnities	4,343	4,400	4,400
15 Taxes and assessments	7,553	7,500	7,500
1959 program obligated in 1958	163,812	−163,812	
Subtotal	16,228,281	16,953,488	18,256,300
Deduct quarters, subsistence, and laundry charges	67,041	26,300	26,300
Total obligations	16,161,240	16,927,188	18,230,000

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, [$87,000] *$330,000*, to remain available until June 30, [1960] *1961. (24 U. S. C. 161–221; Department of Health, Education, and Welfare Appropriation Act 1959.)*

Appropriated 1959 **$87,000** Estimate 1960 **$330,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Building repairs and improvements	$34,029	$55,054	$180,000
2. Ground maintenance and improvements	567		30,000
3. Utility facilities, repairs, and improvements	60,823	62,347	120,000
Total obligations	95,419	117,401	330,000
Financing:			
Unobligated balance brought forward	−76,022	−33,093	
Unobligated balance carried forward	33,093		
Unobligated balance no longer available	2,510	2,692	
Appropriation (new obligational authority)	55,000	87,000	330,000

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.

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1. *Building repairs and improvements.*—Funds requested in 1960 will provide for (*a*) replacement of guttering and repairs to roofing on two patient buildings, (*b*) replacement of elevators in the Charles H. Nichols Building, and (*c*) a survey to determine feasibility and cost of installing automatic sprinkler system in certain patient buildings.

2. *Ground maintenance and improvements.*—Funds are requested for the resurfacing of certain roads within the hospital grounds.

3. *Utility facilities, repairs, and improvements.*—Funds are requested in 1960 to provide for (*a*) rewiring and extension of electrical facilities in certain patient buildings, (*b*) replacement of electric feeders to buildings on the east side of the hospital grounds, and (*c*) repairs to roadbed and tracks for the hospital locomotive.

Object Classification

	1958 actual	1959 estimate	1960 estimate
SAINT ELIZABETHS HOSPITAL			
07 Other contractual services	$7,923	$52,000	$135,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	4	150	100
06 Printing and reproduction	351	600	5,000
07 Other contractual services	13,190	7,899	17,000
10 Lands and structures	73,951	56,752	172,900
Total, General Services Administration	87,496	65,401	195,000
Total obligations	95,419	117,401	330,000

[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.] (*24 U. S. C. 161–221; Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$125,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Design, supervision, etc. (total obligations)		$125,000	
Financing:			
Appropriation (new obligational authority)		125,000	

Tentative drawings for a 450-bed treatment building to replace 3 smaller obsolete treatment facilities are being prepared with funds appropriated in 1959.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel		$100	
07 Other contractual services		124,900	
Total obligations		125,000	

CONSTRUCTION AND EQUIPMENT, TREATMENT AND CAFETERIA BUILDING

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Design, supervision, etc. (total obligations)	$134,881	$45,119	
Financing:			
Unobligated balance brought forward		−45,119	
Unobligated balance carried forward	45,119		
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 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

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$9	$50	
06 Printing and reproduction	114	7,500	
07 Other contractual services	134,758	37,569	
Total obligations	134,881	45,119	

SAINT ELIZABETHS HOSPITAL MISCELLANEOUS CONSTRUCTION ACCOUNTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Construction and equipment of treatment building"	$72,196	$61,295	
2. "Construction and equipment, maximum security building"	270,873	575,000	$118,763
Total obligations	343,069	636,295	118,763
Financing:			
Unobligated balance brought forward	−1,112,221	−770,455	−118,763
Recovery of prior year obligations	−2,673		
Unobligated balance carried forward	770,455	118,763	
Unobligated balance no longer available	1,370	15,397	
Appropriation (new obligational authority)			

Object Classification

	1958 actual	1959 estimate	1960 estimate
SAINT ELIZABETHS HOSPITAL			
09 Equipment	$2,733		$25,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	514	$500	
06 Printing and reproduction	884	3,300	
07 Other contractual services	183,630	21,700	4,763
08 Supplies and materials	1,597	500	
09 Equipment	379	460,000	70,000
10 Lands and structures	153,332	150,295	19,000
Total, General Services Administration	340,336	636,295	93,763
Total obligations	343,069	636,295	118,763

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SOCIAL SECURITY ADMINISTRATION

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

(Trust fund)

For necessary expenses, *including the purchase of two passenger motor vehicles,* not more than [$133,300,000] *$191,600,000* 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. *Provided further, That $10,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes as amended (31 U. S. C. 665), only to the extent necessary to process claims workloads not anticipated in the budget estimates and after maximum absorption of the costs of such claims workload within the existing limitation has been achieved: Provided further, That this authorization shall be available for research and development of electronic or automatic equipment, by contract, which shall be coordinated with similar activities and requirements of other Government agencies: Provided further, That any such contract shall contain appropriate provisions to protect the interest of the Government and the public, including provisions relating to the disposition of rights in any inventions made or developed in the course of work under the contract:*

[The amount authorized by the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959, to be expended from the Federal old-age and survivors insurance trust fund for necessary expenses, is increased by $5,831,000:] *Provided further,* That persons who have been admitted to practice before a Federal or State court of record who have had a minimum of three years' experience in the adjudication or consideration of claims for retirement, survivors, or disability benefits may be temporarily appointed by the Commissioner of Social Security to hold hearings under title II of the Social Security Act, as amended, but such temporary appointments shall terminate not later than December 31, [1959] *1960: Provided further,* That no person shall hold a hearing in any case with which he has been concerned previously in the administration of such title II.

Advances to States, next [suceeding] *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. 401–425; Department of Health, Education, and Welfare Appropriation Act, 1959; Supplemental Appropriation Act 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maintenance of earnings accounts	$22,536,866	$23,796,857	$26,637,932
2. Processing old-age and survivors insurance claims	55,760,367	56,423,867	63,282,371
3. Maintenance of old-age and survivors insurance beneficiary rolls	22,730,069	25,580,235	28,497,814
4. Processing disability claims and maintaining beneficiary rolls	25,840,562	23,561,234	38,834,739
5. Hearings and appeals	2,006,458	3,622,998	4,588,130
6. Actuarial services	99,772	118,600	122,156
7. Administration	14,867,643	17,322,209	19,636,858
8. Contingency reserve			10,000,000
9. 1959 program obligated in 1958	607,311	−607,311	
Total obligations	144,449,048	149,818,689	191,600,000
Financing:			
1959 limitation available in 1958	−607,311	607,311	
Unobligated balance no longer available	243,263		
Limitation	144,085,000	139,131,000	191,600,000
Proposed increase in limitation due to pay increases		11,295,000	

The old-age, survivors, and disability insurance program provides protection to over 90% of the persons in the labor force and their families against the loss of earnings because of old-age, disability, and death. Tax contributions from employees (including members of the Armed Forces of the United States), employers (including Federal, State, and local governments as employers of covered workers), and the self-employed, 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.

The 1958 amendments to the Social Security Act (Public Law 85–840) approved August 28, 1958, provided larger benefits to present and future beneficiaries of the program; extended monthly benefits to dependents of disabled workers; revised eligibility requirements for disability benefits, parents' benefits, and childhood disability benefits; increased the tax contribution rate; and made various technical changes to the law. The effect of the 1958 amendments is to sharply increase the work to be received by the Bureau of Old-Age and Survivors Insurance in 1959. To process this added work, a supplemental request in the amount of $23,106,000 is proposed for later transmission. The volume of work appearing under the activities below includes the estimated additional receipts due to the amendments; however, the figures shown for 1959 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 lifetime earnings records of individuals maintained by the Bureau. The volume of earnings record work depends primarily on the level of employment. An upturn in the economic situation is forecasted for 1959 and continuing into 1960. The 1960 estimate reflects this expected increase in employment and consequently, an increase in the number of items reported.

	1958 actual	*1959 estimate*	*1960 estimate*
Earnings items:			
Received	254,024,863	254,559,000	267,539,000
Processed	249,189,529	254,559,000	272,374,334

2. *Processing old-age and survivors insurance claims.*—Prospective beneficiaries file claims in district offices located in almost 600 cities throughout the country. When a claim is approved the Treasury Department is authorized to issue benefit checks. The 1959 estimated workload is only slightly lower than the 1958 receipts because the initial impact of the 1958 amendments in 1959 almost equals the increase in the 1958 receipts stemming from the economic recession. The claims estimate for 1960 reflects a return to a more normal level of work.

	1958 actual	*1959 estimate*	*1960 estimate*
Old-age and survivors insurance claims:			
Received	2,678,598	2,657,000	2,483,000
Processed	2,699,300	2,650,500	2,507,350

3. *Maintenance of old-age and survivors insurance beneficiary rolls.*—The beneficiary rolls require continuing maintenance 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 benefits in current pay status increased sharply in 1958, reflecting the heavy volume of claims awarded. The number of benefits in current pay status in 1959 will continue to grow at a high rate consistent with the high claims workload, while the estimate for 1960 reflects the return to a lower level of normal long-term growth of the program. Benefit payments will continue to rise with the increasing number of beneficiaries and the higher benefit amounts provided in the 1958 amendments.

	1958 actual	*1959 estimate*	*1960 estimate*
Old age and survivors insurance benefits in current pay status at end of year	11,704,913	12,806,000	13,635,000
Old age and survivors insurance benefit payments (in millions)	$7,875	$9,060	10,025

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4. *Processing disability claims and maintaining beneficiary rolls.*—All disability claims are received in the Bureau's district offices. The determination of the existence of a disability is made in most cases by State agencies and is subject to review by the Bureau to assure uniform administration among States. In addition, the Bureau has the function of maintaining the beneficiary rolls for disabled beneficiaries.

The 1958 amendments provide for the first time for the payment of benefits to dependents of disabled workers. In addition they liberalize the work requirements, necessary for initially establishing eligibility. The revisions in the law will bring in 1959 a sharply increased rate of claims filings over that which would otherwise have existed and will continue in 1960. The number of disabled beneficiaries receiving monthly benefits will more than triple from June 30, 1958, to June 30, 1960.

	1958 actual	*1959 estimate*	*1960 estimate*
Disability claims:			
Received	447,948	490,000	425,000
Processed	459,121	494,531	438,450
Disability dependents claims:			
Received		170,000	83,000
Processed		163,800	86,400
Disability benefits in current pay status at end of year	200,375	470,000	642,000
Disability benefit payments (in millions)	$168	$387	$485

5. *Hearings and appeals.*—Individuals whose claims are disallowed have the right to appeal. In 1958 the Bureau handled the peak of disability claims loads arising as a result of the 1956 amendments. The effect of the Bureau's 1958 peak loads on the appeals process is reflected in the high receipts and sizeable pending load of the appeals council for 1959. Anticipating this peak steps were taken sometime ago to expand the staff of appeals council referees. It is expected that the larger staff will soon be producing more work than it receives and thus reduce the present high backlog. However, receipts of new appeals will continue heavy in 1960 as a result of the increased claims filings in the Bureau stemming from the 1958 amendments and a normal in processed load will not be achieved until late in 1960.

	1958 actual	*1959 estimate*	*1960 estimate*
Appeals cases:			
Received	18,594	22,155	25,145
Processed	13,254	25,100	31,880

6. *Actuarial services.*—Actuarial studies and estimates are prepared for long-range program planning.

7. *Administration.*—This activity includes executive direction, divisional management, program planning work, and housekeeping services. Moderate increases are planned to keep pace with the increased staff service needs as a result of larger workloads.

8. *Contingency reserve.*—Beginning in 1960 additional funds are recommended should the claims workload be greater than that specified above.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	22,247	22,557	25,579
Full-time equivalent of all other positions	240	56	21
Average number of all employees	21,772	22,195	25,249
Number of employees at end of year	22,423	22,173	25,221
Average GS grade and salary	5.6 $4,432	5.7 $5,017	5.8 $5,099
01 Personal services:			
Permanent positions	$99,266,569	$110,571,575	$128,535,274
Positions other than permanent	849,735	272,827	151,403
Other personal services	10,017,966	2,687,952	3,094,838
Total personal services	110,134,270	113,532,354	131,781,515

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$2,795,023	$2,715,578	$2,846,035
03 Transportation of things	558,255	533,812	791,324
04 Communication services	1,797,477	2,261,665	2,600,641
05 Rents and utility services	9,794,210	10,625,538	12,497,413
06 Printing and reproduction	1,356,993	1,446,587	1,618,189
07 Other contractual services	903,784	979,265	2,458,506
Advances to States	7,342,143	8,387,040	15,555,371
08 Supplies and materials	1,297,868	1,552,027	1,506,603
09 Equipment	1,539,624	1,178,196	1,587,763
11 Grants, subsidies, and contributions	6,230,474	7,199,468	8,346,989
13 Refunds, awards, and indemnities	58,668	2,771	2,771
15 Taxes and assessments	32,933	11,699	6,880
1959 program obligated in 1958	607,311	−607,311	
Undistributed (contingency reserve)			10,000,000
Total obligations	144,449,048	149,818,689	191,600,000

Limitation on Construction, Bureau of Old-Age and Survivors Insurance

(Trust fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc	$178,360	$235,639	$165,037
2. Construction	22,192,342	2,816,279	1,091,907
Total obligations	22,370,702	3,051,918	1,256,944
Financing:			
Unobligated balance brought forward	−24,430,163	−7,769,461	−4,717,543
Unobligated balance carried forward	7,769,461	4,717,543	3,460,599
Limitation	5,710,000		

Ground was broken and construction got underway in the fall of 1957. Completion date is expected by February 1960. It is estimated that construction will be approximately 70% complete by the end of 1959. The Bureau plans to move into the building at the earliest practicable date after completion.

Because of major amendments to the Social Security Act since 1953 when space requirements were formulated, the building will be too small to house the Bureau's Baltimore operations. Therefore, an addition is being planned which will be financed by savings from funds in the current limitation plus supplemental funds of $1,300,000 in 1959 which are shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$134	$500	$500
03 Transportation of things	452	500	125,500
04 Communication services	137	500	500
06 Printing and reproduction	19,765	5,000	5,000
07 Other contractual services	157,872	184,500	158,537
09 Equipment	559	750,000	325,000
10 Lands and structures	22,191,783	2,110,918	641,907
Total obligations	22,370,702	3,051,918	1,256,944

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), [$1,806,400,000] *$2,033,500,000,* 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, 1959.*)

Appropriated 1959, **$1,806,400,000** Estimate 1960, **$2,033,500,000**

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS TO STATES FOR PUBLIC ASSISTANCE—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
State expenditures:			
1. Payments to recipients:			
(a) Old-age assistance	$1,002,076,981	$1,009,900,000	$1,108,500,000
(b) Aid to dependent children	486,997,394	515,400,000	599,500,000
(c) Aid to the blind	41,082,667	42,200,000	47,300,000
(d) Aid to the permanently and totally disabled	111,661,922	131,400,000	160,700,000
Total, payments to recipients	1,641,818,964	1,698,900,000	1,916,000,000
2. State and local administration:			
(a) Old-age assistance	56,213,030	56,500,000	58,900,000
(b) Aid to dependent children	43,874,789	50,300,000	55,300,000
(c) Aid to the blind	3,242,071	3,300,000	3,600,000
(d) Aid to the permanently and totally disabled	12,977,851	14,900,000	17,200,000
Total, State and local administration	116,307,741	125,000,000	135,000,000
Total for all programs	1,758,126,705	1,823,900,000	2,051,000,000
Collections and adjustments during year	−17,182,166	−17,500,000	−17,500,000
Adjustment between State expenditures and Federal grants advanced to States	4,228,721		
Obligations for grants to States for fiscal year	1,745,173,260	1,806,400,000	2,033,500,000
Advances to States from 1958 appropriation to complete the 1957 requirements	11,361,101		
Total obligations against appropriation	1,756,534,361	1,806,400,000	2,033,500,000
Amount obligated in prior year for grants chargeable to appropriation for current year	−328,667,973	−423,493,296	−490,000,000
Amount obligated in current year for grants chargeable to appropriation for subsequent year	423,493,296	490,000,000	490,000,000
Total obligations	1,851,359,684	1,872,906,704	2,033,500,000
Financing:			
Appropriation available from subsequent year	−423,493,296	−490,000,000	−490,000,000
Appropriation available in prior year	328,667,973	423,493,296	490,000,000
Unobligated balance no longer available	10,642,503		
New obligational authority	1,767,176,864	1,806,400,000	2,033,500,000
New obligational authority:			
Appropriation	$1,770,600,000	$1,806,400,000	$2,033,500,000
Transferred (72 Stat. 243) to—			
"Salaries and expenses," Food and Drug Administration	−335,100		
"Salaries and expenses," Freedmen's Hospital	−115,400		
"Salaries and expenses," Office of Education	−185,992		
"Salaries and expenses," Office of Vocational Rehabilitation	−17,520		
"Assistance to States, general," Public Health Service	−113,900		
"Grants and special studies, Territory of Alaska," Public Health Service	−11,400		
"Control of venereal diseases," Public Health Service	−87,800		
"Control of tuberculosis," Public Health Service	−50,800		
"Control of communicable diseases," Public Health Service	−121,900		
"Sanitary engineering activities," Public Health Service	−171,700		
"Salaries and expenses, hospital construction services," Public Health Service	−48,600		
"Hospitals and medical care," Public Health Service	−224,000		
"Foreign quarantine service," Public Health Service	−147,400		
"Indian health activities," Public Health Service	−675,000		
"General research and services, National Institutes of Health," Public Health Service	−58,000		
"Mental health activities," Public Health Service	−114,000		
"National Heart Institute," Public Health Service	−147,000		
"Dental health activities," Public Health Service	−50,000		

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority—Continued			
Transferred (72 Stat. 243) to—Con.			
"Arthritis and metabolic disease activities," Public Health Service	−$97,000		
"Allergy and infectious disease activities," Public Health Service	−114,000		
"Operations, National Library of Medicine," Public Health Service	−46,600		
"Salaries and expenses," Public Health Service	−160,000		
"Salaries and expenses," Saint Elizabeths Hospital	−80,000		
"Salaries and expenses," Bureau of Public Assistance	−79,500		
"Salaries and expenses," Children's Bureau	−43,124		
"Salaries and expenses," Office of the Secretary	−48,700		
"Salaries and expenses, Office of the General Counsel," Office of the Secretary	−8,000		
"Salaries and expenses, Office of Field Administration," Office of the Secretary	−54,700		
"Surplus property utilization," Office of the Secretary	−16,000		
Appropriation (adjusted)	1,767,176,864	$1,806,400,000	$2,033,500,000

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, Hawaii, Puerto Rico, and the Virgin Islands have approved plans for old-age assistance, aid to dependent children, and aid to the blind; 48 jurisdictions have approved plans for aid to the permanently and totally disabled.

The Social Security Amendments of 1958, effective October 1, 1958, increased the Federal contributions to assistance expenditures for each of the four federally-aided programs. With the exception of Puerto Rico, the Virgin Islands, and Guam, the Federal Government will continue to provide four-fifths of the first $30 per recipient for old-age assistance, aid to the blind, and aid to the permanently and totally disabled, and fourteen-seventeenths of the first $17 per recipient for aid to dependent children. For the balance of expenditures in which the Federal Government will participate, the Federal share, previously 50%, will vary among States from 50% to 65%, depending upon variations in average per capita income. Under the amendments, the new maximum amounts of assistance subject to Federal financial participation are related to the average monthly expenditure per recipient, and cover both money payments to recipients and payments to vendors for medical and remedial care. Previously, payments to suppliers for medical care were matched separately from money payments to recipients, except in a few States that chose to apply the same formula and a single maximum to combined expenditures for money and vendor medical payments.

Prior to October 1, 1958, maximums for Federal financing, which related to each individual monthly payment to each recipient, were $60 for the adult categories and for aid to dependent children, $32 each for the first child and the adult caring for the child, and $23 for each additional child in the family. In addition, the maximum matchable amounts for vendor medical payments, related to average expenditures per recipient, were $6 per adult recipient and $3 per child recipient; the Federal share of vendor medical payments was 50% in all jurisdictions using the provision for separate matching of such payments. The new average maximums which cover both money payments

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and vendor payments are $65 per recipient for the adult categories and $30 per recipient for aid to dependent children.

In addition, the 1958 amendments extend, for the first time, Federal participation in public assistance programs to Guam on a basis similar to Puerto Rico and the Virgin Islands. Total Federal expenditures in Guam are not to exceed $400,000 in any year. The amendments raised limitations on the total annual Federal payments for public assistance in Puerto Rico and the Virgin Islands to $8,500,000 and $300,000, respectively, and revised limitations on matchable expenditures to which the Federal Government contributes 50% to relate to average expenditures per recipient as in other jurisdictions but at lesser amounts ($35 per recipient for the adult categories and $18 per recipient for aid to dependent children).

Certain amendments to the provisions for the program of old-age, survivors, and disability insurance will also affect public assistance costs. These amendments include those (1) increasing benefit amounts for all present and future beneficiaries; (2) providing benefit payments for wives, dependent husbands, and children of disability insurance beneficiaries; (3) providing benefit payments for the dependent parent of a deceased worker even though a widow, dependent widower, or child survived the worker; (4) providing payment of benefits to a disabled adult child of deceased workers or retired beneficiaries without requiring proof of dependency; and (5) providing certain liberalizations for disabled workers. These amendments to the old-age, survivors, and disability insurance program are expected to result in a decrease in the Federal share of public assistance costs amounting to about $12,200,000 for the last 3 quarters in 1959 and $22,000,000 in 1960.

For 1960, the total amount of Federal, State, and local expenditures for assistance and administration is estimated at $3,523,600,000, of which $2,051,000,000 represents the Federal share. The appropriation request of $2,033,500,000 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, $1,167,400,000 is for old-age assistance, $654,800,000 for aid to dependent children, $50,900,000 for aid to the blind, and $177,900,000 for aid to the permanently and totally disabled.

It is anticipated that a supplemental appropriation of $168,400,000 will be required for 1959 which is shown under Proposed for later transmission. Of the supplemental amount, $42,900,000 is due entirely to larger than anticipated caseloads for aid to dependent children and $125,500,000 to the net combined effect of the 1958 amendments to the public assistance and old-age, survivors, and disability insurance programs. The gross cost of the public assistance amendments in the last 3 quarters of the year would be $137,700,000; the old-age, survivors, and disability insurance amendments, however, are expected to decrease these costs by $12,200,000.

The increase of $58,700,000 for 1960 over 1959 is accounted for by $21,200,000 rise in Federal costs in 1960 which was anticipated under Federal provisions in effect before October 1, 1958, as a result of increases in average payments, number of recipients, and administrative costs; by $37,500,000 covering the combined net effect of the public assistance and old-age, survivors, and disability insurance amendments, which will be in operation the full year in 1960 compared with 3 quarters of 1959. It is estimated that the public assistance amendments will add approximately $47,300,000 to Federal costs in 1960 compared with 1959 and that the larger effect of the old-age, survivors, and disability insurance amendments in 1960 will reduce these costs by about $9,800,000.

The figures for 1959 used in the tables appearing under the activities below include the supplemental of $168,400,000; the figures shown in the program and financing schedule include only the $1,806,400,000 already appropriated.

1. *Payments to recipients*—(*a*) *Old-age assistance.*—The average number of recipients per month for 1960 is estimated at 2.1% fewer than was estimated for 1959. The estimated average monthly payment is $1.60 more than the estimate for 1959.

	1958 actual	*1959 estimate*	*1960 estimate*
Average number of recipients per month	2,481,954	2,442,100	2,390,000
Average monthly payment	$60.38	$64.25	$65.85
Total expenditures for assistance (Federal, State, and local)	$1,798,374,143	$1,882,900,000	$1,888,600,000
Federal share	$1,002,076,981	$1,094,600,000	$1,108,500,000

(*b*) *Aid to dependent children.*—The average number of persons to receive assistance per month for 1960 is 0.7% higher than is estimated for 1959. The estimated average monthly payment per person is $0.45 more than the estimate for 1959.

	1958 actual	*1959 estimate*	*1960 estimate*
Average number of recipients per month:			
Families	679,476	764,000	770,000
Children	1,945,244	2,188,000	2,204,000
Persons	2,541,959	2,860,000	2,880,000
Average monthly payment per person	$26.72	$28.00	$28.45
Total expenditures for assistance (Federal, State, and local)	$815,195,939	$961,000,000	$983,000,000
Federal share	$486,997,394	$583,400,000	$599,500,000

(*c*) *Aid to the blind.*—The average number of recipients per month for 1960 is estimated at 0.7% more than was estimated for 1959. The estimated average monthly payment is $1.60 more than the estimate for 1959.

	1958 actual	*1959 estimate*	*1960 estimate*
Average number of recipients per month	108,264	108,800	109,600
Average monthly payment	$65.73	$69.25	$70.85
Total expenditures for assistance (Federal, State, and local)	$85,396,735	$90,400,000	$93,200,000
Federal share	$41,082,667	$45,400,000	$47,300,000

(*d*) *Aid to the permanently and totally disabled.*—The average monthly number of recipients is estimated to be 7.1% more than for 1959. The estimated average payment for 1960 is $2.05 more than that for 1959. The estimates cover costs under the presently approved plans for 48 jurisdictions.

	1958 actual	*1959 estimate*	*1960 estimate*
Average number of recipients per month	295,056	336,000	360,000
Average monthly payment	$59.93	$64.65	$66.70
Total expenditures for assistance (Federal, State, and local)	$212,209,016	$260,700,000	$288,100,000
Federal share	$111,661,922	$143,900,000	$160,700,000

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 contributes toward the salaries and expenses of about 53,000 State and local personnel.

Total costs in 1960 are estimated at $20 million more than in 1959; $10 million of this will come from Federal funds. The increases in costs are attributable primarily to (1) salary rises given to keep pace with rising living costs and to compete successfully with other professions and agencies for staff and (2) staff increases, to provide services to recipients directed toward self-care, self-support, and strengthened family life.

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS TO STATES FOR PUBLIC ASSISTANCE—Continued

	1958 actual	*1959 estimate*	*1960 estimate*
(*a*) Old-age assistance	$112,842,509	$113,000,000	$117,800,000
(*b*) Aid to dependent children	87,754,995	100,600,000	110,600,000
(*c*) Aid to the blind	7,152,632	7,300,000	7,900,000
(*d*) Aid to the permanently and totally disabled	26,027,652	29,800,000	34,400,000
Total expenditures (Federal, State, and local)	233,777,788	250,700,000	270,700,000
Federal share	116,307,741	125,000,000	135,000,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$1,851,359,684	$1,872,906,704	$2,033,500,000

SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE

For expenses necessary for the Bureau of Public Assistance, [$1,980,000] *$2,345,000. (42 U. S. C., ch. 7, subchs. I, IV, X, and XIV, and sec. 903; Department of Health, Education, and Welfare Appropriation Act, 1959.)*

Appropriated 1959, **$1,980,000** Estimate 1960, **$2,345,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Program policies and standards	$423,253	$492,090	$597,568
2. Review State plans and grants, evaluate State operations	1,175,792	1,250,435	1,282,261
3. Collect and interpret statistics	194,586	230,445	248,406
4. Administration	178,642	193,530	216,765
5. 1959 program obligated in 1958	2,200	−2,200	
Total obligations	1,974,473	2,164,300	2,345,000
Financing:			
1959 appropriation available in 1958	−2,200	2,200	
Unobligated balance no longer available	7,227		
New obligational authority	1,979,500	2,166,500	2,345,000
New obligational authority:			
Appropriation	$1,900,000	$1,980,000	$2,345,000
Transferred from "Grants to States for public assistance" (72 Stat. 243)	79,500		
Appropriation (adjusted)	1,979,500	1,980,000	2,345,000
Proposed supplemental due to pay increases		186,500	

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. During 1960 emphasis will be given to improving administration of the programs and the provision of welfare services and medical care for the needy people served by them.

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.*—This involves analyzing and approving State plans and amendments thereto; making grants; reviewing State and local operations to insure proper expenditure of Federal funds and conformity with Federal requirements; 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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	263	273	288
Full-time equivalent of all other positions	4	3	4
Average number of all employees	254	260	272
Number of employees at end of year	251	263	278
Average GS grade and salary	8.6 $6,296	8.7 $7,025	9.0 $7,225
01 Personal services:			
Permanent positions	$1,649,942	$1,801,200	$1,926,300
Positions other than permanent	19,666	12,000	24,600
Other personal services	29,269	31,300	39,100
Total personal services	1,698,877	1,844,500	1,990,000
02 Travel	91,165	109,000	118,300
03 Transportation of things	1,473	2,500	2,500
04 Communication services	24,252	27,620	28,320
05 Rents and utility services			300
06 Printing and reproduction:			
Printing	6,604	9,000	11,700
Reproduction	15,766	17,000	20,950
07 Other contractual services	5,366	9,900	17,000
Services performed by other agencies	11,331	12,980	13,200
08 Supplies and materials	8,251	14,600	13,230
09 Equipment	6,463	1,000	2,600
11 Grants, subsidies, and contributions	101,056	117,000	125,180
13 Refunds, awards, and indemnities	920	800	800
15 Taxes and assessments	749	600	920
1959 program obligated in 1958	2,200	−2,200	
Total obligations	1,974,473	2,164,300	2,345,000

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] *$2,300,000: 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, 1959.)*

Appropriated 1959, **$2,000,000** Estimate 1960, **$2,300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. State and local health services for children	$681,625	$744,980	$769,003
2. State and local social services for children	378,754	404,277	439,634
3. Technical assistance to States and communities for juvenile delinquency programs	144,518	171,382	197,649
4. Research in child life and services for children	299,199	319,255	320,394
5. Information for parents and others working with children	281,541	282,401	322,791
6. Administration	254,518	249,705	250,529
7. 1959 program obligated in 1958	4,871	−4,871	
Total obligations	2,045,026	2,167,129	2,300,000
Financing:			
1959 appropriation available in 1958	−4,871	4,871	
Unobligated balance no longer available	2,969		
New obligational authority	2,043,124	2,172,000	2,300,000
New obligational authority:			
Appropriation	$2,000,000	$2,000,000	$2,300,000
Transferred from "Grants to States for public assistance" (72 Stat. 243)	43,124		
Appropriation (adjusted)	2,043,124	2,000,000	2,300,000
Proposed supplemental due to pay increases		172,000	

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The Bureau investigates and reports on the health and welfare of children and administers grants to the States for extending and 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 reviewed and approved; consultative services are given to State agencies, other public and voluntary agencies and organizations, and educational institutions engaged in training professional personnel; and guides and recommendations are prepared on the provision of child health services.

2. *State and local social services for children.*—The same approach is used for child welfare services as for 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, particularly social and economic problems are conducted, and the programs and services for children are evaluated. The results are interpreted to the public through pamphlets and bulletins.

5. *Information for parents and others working with children.*—Publications are prepared and distributed on child health and welfare services. Upon request, assistance is given to States in interpreting their child health and welfare programs. Free distribution of the Bureau's popular publication, *Infant Care*, will total approximately 1,200,000 in 1959. An increase is requested for 1960 to meet the expected demand for this and other Bureau publications.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	252	250	259
Full-time equivalent of all other positions	1	1	3
Average number of all employees	224	231	237
Number of employees at end of year	233	233	242
Average GS grade and salary	8.9 $6,686	8.9 $7,388	8.9 $7,450
01 Personal services:			
Permanent positions	$1,560,469	$1,697,645	$1,744,732
Positions other than permanent	9,978	9,927	22,327
Other personal services	7,653	9,928	17,562
Total personal services	1,578,100	1,717,500	1,784,621
02 Travel	147,833	151,300	163,338
03 Transportation of things	995	1,500	1,500
04 Communication services	25,675	25,500	26,085
05 Rents and utility services	1,157	500	500
06 Printing and reproduction	129,050	122,800	162,611
07 Other contractual services	4,194	3,500	3,500
Services performed by other agencies	31,816	19,500	19,790
08 Supplies and materials	14,759	15,000	15,378
09 Equipment	11,280	10,200	12,902
11 Grants, subsidies, and contributions	94,215	103,700	108,775
15 Taxes and assessments	1,081	1,000	1,000
1959 program obligated in 1958	4,871	−4,871	
Total obligations	2,045,026	2,167,129	2,300,000

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] *$200,000*: *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] *$16,500* per annum. (*Act of Apr. 9, 1912, as amended, 42 U. S. C., ch. 6; Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$150,000** Estimate 1960, **$200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
White House Conference on Children and Youth (total obligations)		$150,000	$200,000
Financing:			
Appropriation (new obligational authority)		150,000	200,000

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, voluntary organizations and individual citizens. The 1959 appropriation provided for conference planning. The 1960 request will provide for completion of the planning and for holding the conference.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		18	18
Full-time equivalent of all other positions			4
Average number of all employees		13	19
Number of employees at end of year		18	6
Average GS grade and salary		10.1 $7,553	10.1 $7,553
01 Personal services:			
Permanent positions		$102,990	$120,449
Positions other than permanent			29,967
Other personal services		487	974
Total personal services		103,477	151,390
02 Travel		31,000	31,000
04 Communication services		1,857	2,016
06 Printing and reproduction		$5,000	$10,000
07 Other contractual services		336	336
08 Supplies and materials		710	1,209
09 Equipment		4,422	
11 Grants, subsidies, and contributions		2,153	2,324
15 Taxes and assessments		1,045	1,725
Total obligations		150,000	200,000

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), $43,500,000, of which $15,000,000 shall be available for services for crippled children, $16,500,000 for maternal and child-health services, and $12,000,000 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, 1959.*)

Appropriated 1959, **$43,500,000** Estimate 1960, **$43,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maternal and child health services	$16,336,393	$16,500,000	$16,500,000
2. Crippled children's services	14,847,191	15,000,000	15,000,000
3. Child welfare services	9,538,911	12,000,000	12,000,000
Total obligations	40,722,495	43,500,000	43,500,000
Financing:			
Unobligated balance no longer available	777,505		
Appropriation (new obligational authority)	41,500,000	43,500,000	43,500,000

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE—Con.

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. Under the 1958 Social Security Amendments (Public Law 85–840) the States are required to match all appropriated funds for child welfare services, but the percent of matching required varies in accordance with per capita income from 33⅓ to 66⅔. The amendments also increased the amounts authorized to be appropriated for each program by $5 million.

1. *Maternal and child health services.*—Grants are provided to States for the extension and improvement of health services for mothers and children, especially in rural areas.

2. *Crippled children's services.*—Grants are made to States to extend and improve services for crippled children including medical, surgical, corrective, and other care, especially in rural areas. A supplemental appropriation of $1,500,000 in 1959 for services to children with congenital heart disease is anticipated under Proposed for later transmission.

3. *Child welfare services.*—Grants aid States to establish, extend, and strengthen 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. The 1958 Social Security Act Amendments to the child welfare provisions eliminated the reference to rural areas and other areas of special need thus making services and Federal funds available to urban children on the same basis as for rural children.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$40,722,495	$43,500,000	$43,500,000

GRANTS FOR SOCIAL SECURITY TRAINING AND STUDIES

For grants to States for increasing the number of adequately trained public welfare personnel, pursuant to section 705 of the Social Security Act, as amended (42 U. S. C. 906), and for making grants, contracts, and jointly financed cooperative arrangements for research or demonstration projects pursuant to section 1110 of said Act, as amended (42 U. S. C. 1310), including necessary expenses of Federal administration, $1,785,000, of which $1,000,000 shall be grants under said section 705.

Estimate 1960, **$1,785,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Training			$1,000,000
2. Cooperative studies			700,000
3. Administration			85,000
Total obligations			1,785,000
Financing:			
Appropriation (new obligational authority)			1,785,000

The Social Security Act amendments of 1956 had as one of its stated objectives assistance to individuals in attaining self-support and self-care. It is proposed to achieve this objective through increasing the number of adequately trained State and local public welfare personnel and by conducting jointly financed cooperative studies in social security.

1. *Training.*—The budget request will permit increasing the number of adequately trained personnel in 1960 by providing for approximately 350 fellowships and traineeships. Provision is also made for special short-term courses of study or seminars to provide opportunities for State and local staff administering the public assistance programs and for a few teaching grants.

2. *Cooperative studies.*—Grants, contracts, and jointly financed cooperative arrangements will be made with States, public, and nonprofit organizations for the conduct of studies in social security. The budget request will finance the initiation of approximately 30 studies ranging in the amount of award from $10,000 to $50,000.

3. *Administration.*—The Federal cost of administering these two activities is provided for herein.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions			11
Full-time equivalent of all other positions			1
Average number of all employees			10
Number of employees at end of year			11
Average GS grade and salary			8.9 $6,945
01 Personal services:			
Permanent positions			$59,910
Positions other than permanent			4,800
Other personal services			590
Total personal services			65,300
02 Travel			4,800
04 Communication services			2,100
06 Printing and reproduction			4,100
07 Other contractual services			1,200
08 Supplies and materials			1,000
09 Equipment			2,600
11 Grants, subsidies, and contributions			1,703,900
Total obligations			1,785,000

SALARIES AND EXPENSES, OFFICE OF THE COMMISSIONER

For expenses necessary for the Office of the Commissioner of Social Security, [$314,000] *$337,000*, together with not to exceed [$246,000] *$276,000* to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$314,000** Estimate 1960, **$337,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Direction and coordination of the social security program	$256,540	$289,529	$287,712
2. Appraisal and development of the social security program	246,738	320,971	325,288
3. 1959 program obligated in 1958	500	−500	
Total obligations	503,778	610,000	613,000
Financing:			
1959 appropriation available in 1958	−500	500	
Advances and reimbursements from non-Federal sources (annual appropriation act):			
Authorized	−240,000	−246,000	−276,000
Proposed increase in limitation due to pay increases		−22,500	
Unobligated balance no longer available	36,722		
New obligational authority	300,000	342,000	337,000
New obligational authority:			
Appropriation	$300,000	$314,000	$337,000
Proposed supplemental due to pay increases		28,000	

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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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	66	66	66
Average number of all positions	54	65	64
Number of employees at end of year	68	66	66
Average GS grade and salary	9.7 $7,147	9.7 $7,982	9.7 $8,076
01 Personal services:			
Permanent positions	$414,113	$526,768	$526,768
Positions other than permanent	1,120		
Other personal services	1,854	2,043	4,172
Total personal services	417,087	528,811	530,940
02 Travel	7,374	10,400	7,500
03 Transportation of things	25		
04 Communication services	8,120	10,000	10,000
06 Printing and reproduction	15,226	11,175	14,309
07 Other contractual services	13,035	8,400	8,400
08 Supplies and materials	6,997	6,300	6,300
09 Equipment	9,409	1,000	1,000
11 Grants, subsidies, and contributions	25,948	34,374	34,511
15 Taxes and assessments	57	40	40
1959 program obligated in 1958	500	−500	
Total obligations	503,778	610,000	613,000

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.

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, 1959.*)

Public enterprise funds:

OPERATING FUND, BUREAU OF FEDERAL CREDIT UNIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Chartering	$24,896	$30,754	$32,023
2. Supervision	404,773	508,992	533,930
3. Examination	2,214,454	2,675,599	2,968,878
4. Administration	83,628	98,260	99,733
5. Interest on Treasury loan	3,671	2,750	1,375
Total operating costs	2,731,422	3,316,355	3,635,939
Unfunded adjustment to total operating costs: Depreciation included above (−)	−14,976	−18,000	−21,000
Total operating costs, funded	2,716,446	3,298,355	3,614,939

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Capital outlay: Purchase of equipment	$34,313	$30,000	$30,000
Total program costs, funded	2,750,759	3,328,355	3,644,939
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−6,839	
Obligations incurred for costs of other years, net	7,496		
Total program (obligations)	2,758,255	3,321,516	3,644,939
Financing:			
Amounts becoming available: Revenue and receipts: Fees	2,646,532	3,347,714	3,706,790
Unobligated balance brought forward	697,946	511,223	487,421
Total amounts available	3,344,478	3,858,937	4,194,211
Capital transfer (repayment of investment to Treasury) (−)	−75,000	−50,000	−50,000
Unobligated balance carried forward	−511,223	−487,421	−499,272
Financing applied to program	2,758,255	3,321,516	3,644,939

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.

	1958 actual	*1959 estimate*	*1960 estimate*
Number of Federal credit unions chartered	617	660	660
Number of regular examinations	8,618	9,283	9,643
Number of operating Federal credit unions as of December 31 of the previous calendar year	8,735	9,095	9,455
Assets of Federal credit unions as of December 31 of the previous calendar year	$1,788,768,332	$2,089,690,799	$2,417,248,772

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Deferred charges	$1,704	$1,466		
Unpaid undelivered orders	2,639	10,373	$5,000	$5,000
Total selected resources at end of year	4,343	11,839	5,000	5,000
Selected resources at start of year (−)		−4,343	−11,839	−5,000
Costs financed from obligations of other years, net (−)			−6,839	
Obligations incurred for costs of other years, net		7,496		

Operating results.—Fees from receipts cover the costs of operations. Retained earnings are expected to show an increase to $675,648 through 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$34,313	$30,000	$30,000
Expense	2,716,446	3,298,355	3,614,939
Increase in selected working capital		66,623	
Total gross expenditures	2,750,759	3,394,978	3,644,939
Receipts from operations (funds provided):			
Revenue	2,646,532	3,347,714	3,706,790
Decrease in selected working capital	115,767		35,415
Total receipts from operations	2,762,299	3,347,714	3,742,205
Budget expenditures	−11,540	47,264	−97,266

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SOCIAL SECURITY ADMINISTRATION—Continued

Public enterprise funds—Continued

Operating Fund, Bureau of Federal Credit Unions—Con.

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Chartering program:			
Revenue	$15,515	$16,500	$16,500
Expense	24,933	30,781	32,037
Net operating loss (−), chartering program	−9,418	−14,281	−15,537
Examination program:			
Revenue	2,111,290	2,757,752	3,059,487
Expense	2,217,383	2,677,794	2,969,975
Net operating income or loss (−), examination program	−106,093	79,958	89,512
Supervision program:			
Revenue	519,727	573,462	630,803
Expense	489,106	607,780	633,927
Net operating income or loss (−), supervision program	30,621	−34,318	−3,124
Net income or loss (−) for the year	−84,890	31,359	70,851
Retained earnings, beginning of year	658,328	573,438	604,797
Retained earnings, end of year	573,438	604,797	675,648

Financial Condition

Assets:			
Cash with Treasury	$641,793	$544,529	$591,795
Accounts receivable	390,473	434,443	477,800
Deferred charges	1,466		
Equipment, net	150,376	162,376	171,376
Total assets	1,184,108	1,141,348	1,240,971
Liabilities:			
Current	510,670	486,551	565,323
Government investment:			
Interest-bearing capital:			
Start of year	175,000	100,000	50,000
Repayment of investment to Treasury	−75,000	−50,000	−50,000
End of year	100,000	50,000	
Retained earnings	573,438	604,797	675,648
Total Government investment	673,438	654,797	675,648

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$705,253	$641,793	$544,529	$591,795
Obligated balance, net:				
Current liabilities	352,755	510,670	486,551	565,323
Unpaid undelivered orders	2,639	10,373	5,000	5,000
Accounts receivable, net, and cash in transit (−)	−348,087	−390,473	−434,443	−477,800
Total obligated balance	7,307	130,570	57,108	92,523
Unobligated balance	697,946	511,223	487,421	499,272

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	400	420	450
Average number of all employees	360	404	433
Number of employees at end of year	400	420	450
Average GS grade and salary	7.8 $4,937	8.2 $5,870	8.3 $5,990
01 Personal services:			
Permanent positions	$1,974,938	$2,465,431	$2,695,913
Other personal services	12,367	14,554	25,991
Excess of annual leave earned over leave taken	44,745	33,000	38,000
Total personal services	2,032,050	2,512,985	2,759,904
02 Travel	442,240	498,250	540,250
03 Transportation of things	10,243	15,000	16,000
04 Communication services	33,740	41,000	45,000
05 Rents and utility services	6,313		
06 Printing and reproduction	26,399	20,000	25,000
07 Other contractual services	$26,430	$33,000	$35,000
08 Supplies and materials	12,831	13,000	15,000
09 Equipment	34,313	30,000	30,000
11 Grants, subsidies, and contributions	121,431	160,870	175,910
13 Refunds, awards, and indemnities	393	500	500
14 Interest	3,671	2,750	1,375
15 Taxes and assessments	705	1,000	1,000
Total costs	2,750,759	3,328,355	3,644,939
Costs financed from obligations of other years, net (−)		−6,839	
Obligations incurred for costs of other years, net	7,496		
Total obligations	2,758,255	3,321,516	3,644,939

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Disbursing old-age and survivors and disability insurance benefit payments (Treasury Department, Division of Disbursement)	$792,038	$152,130	
2. Providing employer manufacturing and nonmanufacturing statistics and related information:			
Department of Commerce, Bureau of the Census	66,123	25,964	
Department of Commerce, Office of Business Economics	17,979	22,012	
Department of Labor, Bureau of Labor Statistics	2,559		
Department of Labor, Wage and Hour and Public Contracts Divisions	10,489	12,490	
Railroad Retirement Board	29,039		
Federal Trade Commission	3,201	3,199	
Department of Justice, Immigration and Naturalization Services	5,680		
Veterans Administration	7,072		
3. Providing employment and earnings record information	137,665		
4. Providing technical consultation for Indians in pediatrics and maternal and child health services (Indian health activities, Public Health Service)	23,973	28,188	$28,483
5. Reimbursement for travel services	7,059	9,200	9,700
6. Miscellaneous	66		
Total obligations	1,102,943	253,183	38,183
Financing:			
Advances and reimbursements from—			
Other accounts	965,101	243,983	28,483
Non-Federal sources (42 U. S. C. 1306)	137,842	9,200	9,700
Total financing	1,102,943	253,183	38,183

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	126	81	2
Average number of all employees	106	32	2
Number of employees at end of year	98	17	2
Average GS grade and salary	4.2 $3,918	3.4 $4,103	14.5 $13,271
01 Personal services:			
Permanent positions	$413,999	$129,269	$26,541
Other personal services	66,709	1,459	204
Total personal services	480,708	130,728	26,745
02 Travel	7,059	9,200	9,700
03 Transportation of things	240	45	
04 Communication services	440,146	83,775	
05 Rents and utility services	24,204	5,315	
06 Printing and reproduction	43,539	1,160	
07 Other contractual services	6,792	1,370	
08 Supplies and materials	65,720	13,386	
09 Equipment	18,827	3,780	
11 Grants, subsidies, and contributions	15,708	4,424	1,738
Total obligations	1,102,943	253,183	38,183

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Proposed for later transmission:

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Under existing legislation, 1959.—A $23,106,000 increase in the Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance, is anticipated in 1959 to process the increased workloads resulting from enactment of Public Law 85–840, the Social Security Amendments of 1958.

LIMITATION ON CONSTRUCTION, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Under existing legislation, 1959.—An addition to the building now being constructed in Baltimore County, Md., is needed because of increased requirements unforeseen when space arrangements were formulated. A supplemental estimate is anticipated to increase the existing limitation by $1,300,000. This amount, when added to the unobligated funds under the existing limitation, will provide for the addition.

GRANTS TO STATES FOR PUBLIC ASSISTANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
State expenditures:			
Payments to recipients:			
(a) Old age assistance		$84,700,000	
(b) Aid to dependent children		68,000,000	
(c) Aid to the blind		3,200,000	
(d) Aid to the permanently and totally disabled		12,500,000	
Total obligations		168,400,000	
Financing:			
Proposed supplemental appropriation		168,400,000	

Under existing legislation, 1959.—It is anticipated that a supplemental appropriation of $168,400,000 will be required for 1959, because the estimated number of recipients for aid to dependent children, based on current trends, is larger than estimated when the appropriation request was approved by the Congress, and because the 1958 amendments will increase the Federal share for all programs.

GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Crippled children's services (total obligations)		$1,500,000	
Financing:			
Proposed supplemental appropriation		1,500,000	

Under existing legislation, 1959.—A supplemental appropriation of $1,500,000 is anticipated for 1959 for grants to States for crippled children's services, to be used exclusively for services to children with congenital heart disease. It will be proposed that these funds remain available until June 30, 1960.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For expenses necessary for the Office of the Secretary, [$1,809,000] *$2,151,000*, together with not to exceed [$263,000] *$318,000* to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$1,809,000** Estimate 1960, **$2,151,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction and program coordination	$711,801	$761,566	$846,650
2. Publications and reports	113,377	129,120	144,635
3. Administrative and financial management	1,271,933	1,368,152	1,475,764
Total program costs	2,097,111	2,258,838	2,467,049
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,838	
Obligations incurred for costs of other years, net	7,275		1,951
Total program (obligations)	2,104,386	2,257,000	2,469,000
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund—limitation:			
Authorized	−267,000	−263,000	−318,000
Proposed increase in limitation due to pay increases		−23,000	
Unobligated balance no longer available	11,314		
New obligational authority	1,848,700	1,971,000	2,151,000
New obligational authority:			
Appropriation	$1,800,000	$1,809,000	$2,151,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	48,700		
Appropriation (adjusted)	1,848,700	1,809,000	2,151,000
Proposed supplemental due to pay increases		162,000	

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.

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OFFICE OF THE SECRETARY—Continued

SALARIES AND EXPENSES—Continued

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$16,015	$20,587	$18,749	$20,700
Selected resources at start of year (−)		−16,015	−20,587	−18,749
Adjustment of selected resources at start of year		2,703		
Cost financed from obligations of other years, net (−)			−1,838	
Obligations incurred for costs of other years, net		7,275		1,951

Object Classification

		1958 actual		1959 estimate		1960 estimate
	Total number of permanent positions		277		280	301
	Full-time equivalent of all other positions		3		2	2
	Average number of all employees		263		269	288
	Number of positions at end of year		272		273	294
	Average GS grade and salary	7.7	$6,164	8.0	$6,861	8.1 $6,952
01	Personal services:					
	Permanent positions		$1,729,325		$1,872,362	$2,021,794
	Positions other than permanent		13,886		6,445	10,195
	Other personal services		35,413		39,102	47,829
	Total personal services		1,778,624		1,917,909	2,079,818
02	Travel		34,071		33,785	47,635
03	Transportation of things		494		420	420
04	Communication services		37,678		41,810	44,054
05	Rents and utility services		73		100	100
06	Printing and reproduction		37,107		51,369	58,664
07	Other contractual services		45,383		41,830	42,891
08	Supplies and materials		30,409		27,214	29,700
09	Equipment		28,297		23,916	32,823
11	Grants, subsidies, and contributions		102,959		118,165	128,399
13	Refunds, awards, and indemnities		535		1,145	1,145
15	Taxes and assessments		1,481		1,175	1,400
	Total costs		2,097,111		2,258,838	2,467,049
	Costs financed from obligations of other years, net (−)				−1,838	
	Obligations incurred for costs of other years, net		7,275			1,951
	Total obligations		2,104,386		2,257,000	2,469,000

SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION

For expenses necessary for the Office of Field Administration, [$2,358,000] *$2,735,000*, together with not to exceed [$702,000] *$926,000* to be transferred from the Federal old-age and survivors insurance trust fund.

[The limitation under this head in the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959, on the amount available for transfer from the Federal old-age and survivors insurance trust fund, is increased by $18,000.] (*Department of Health, Education, and Welfare Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$2,358,000** Estimate 1960, **$2,735,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Field administration	$1,711,071	$1,845,159	$2,019,450
2. Grant-in-aid audits	1,135,882	1,307,500	1,415,000
3. State merit systems	192,424	223,250	225,550
Total program costs	3,039,377	3,375,909	3,660,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−21,909	
Obligations incurred for costs of other years, net	19,154		1,000
Total program (obligations)	3,058,531	3,354,000	3,661,000
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund—limitation:			
Authorized	−716,600	−720,000	−926,000
Proposed increase in limitation due to pay increases		−63,000	

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Unobligated balance no longer available	$12,769		
New obligational authority	2,354,700	$2,571,000	$2,735,000
New obligational authority:			
Appropriation	$2,300,000	$2,358,000	$2,735,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	54,700		
Appropriation (adjusted)	2,354,700	2,358,000	2,735,000
Proposed supplemental due to pay increases		213,000	

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 15,900 employees located in the field.

Public Law 85–840, approved August 29, 1958, expands the workload and hence the employment of the Social Security Administration. A proposed increase in the limitation on funds from Federal old-age and survivors insurance trust fund to cover the cost of increased central services to be furnished the Social Security Administration by the Office of Field Administration in 1959 is anticipated under Proposed for later transmission.

2. *Grant-in-aid audits.*—The Division audits 33 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 2,170 audits in 1960 compared with 1,870 in 1958 and 1,970 in 1959. Audits of expanded construction grants, changes in requirements of medical care for public assistance recipients, surplus property audits and national defense education grants will require more staff time in 1960.

3. *State merit system.*—State merit systems are reviewed for compliance with the requirements of Federal law in the various programs. Division activities involve 17 types of grants-in-aid and apply to 70 State merit systems, and 290 agencies administering grant programs.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$12,919	$30,109	$8,200	$9,200
Selected resources at start of year (−)		−12,919	−30,109	−8,200
Adjustment of selected resources reported at start of year		1,964		
Costs financed from obligations of other years, net (−)			−21,909	
Obligations incurred for costs of other years, net		19,154		1,000

Object Classification

		1958 actual		1959 estimate		1960 estimate
	Total number of permanent positions		450		473	515
	Full time equivalent of all other positions		6		1	4
	Average number of all employees		435		450	496
	Number of employees end of year		451		453	495
	Average GS grade and salary	7.1	$5,353	7.2	$6,046	7.1 $5,986
01	Personal services:					
	Permanent positions		$2,402,555		$2,722,301	$2,936,996
	Positions other than permanent		23,476		4,503	15,823
	Other personal services		29,260		14,334	26,456
	Total personal services		2,455,291		2,741,138	2,979,275
02	Travel		170,973		183,934	203,400
03	Transportation of things		11,010		5,940	5,925
04	Communication services		108,223		119,910	124,775
05	Rents and utility services		2,767			
06	Printing and reproduction		11,002		11,179	11,110
07	Other contractual services		28,698		40,087	43,624
08	Supplies and materials		62,255		68,864	90,875
09	Equipment		38,868		27,544	9,840

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$147,853	$175,102	$188,640
13 Refunds, awards, and indemnities	1,551	1,000	1,000
15 Taxes and assessments	886	1,211	1,536
Total costs	3,039,377	3,375,909	3,660,000
Costs financed from obligations of other years, net (−)		−21,909	
Obligations incurred for costs of other years, net	19,154		1,000
Total obligations	3,058,531	3,354,000	3,661,000

Salaries and Expenses, Office of the General Counsel

For expenses necessary for the Office of the General Counsel, [$505,000] *$619,000*, together with not to exceed [$25,000] *$27,000* to be transferred from the appropriation "Salaries and expenses, certification and inspection services", and not to exceed [$450,000] *$519,000* to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$505,000** Estimate 1960, **$619,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Supervisory and general legal services	$236,498	$235,370	$239,890
2. Departmental program services:			
(a) Public health	78,952	88,141	95,914
(b) Food and drug	156,860	216,257	248,912
(c) Old-age and survivors insurance	137,690	159,039	183,539
(d) Welfare and education	80,030	101,185	120,718
3. Regional and field service	292,938	275,061	276,027
Total program costs	982,968	1,075,053	1,165,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−53	
Obligations incurred for costs of other years, net	2,174		
Total program (obligations)	985,142	1,075,000	1,165,000
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund—limitation:			
Authorized	−456,000	−450,000	−519,000
Proposed increase in limitation due to pay increases		−44,000	
Other limitations:			
Authorized	−25,500	−25,000	−27,000
Proposed increase in limitation due to pay increases		−2,000	
Unobligated balance no longer available	4,358		
New obligational authority	508,000	554,000	619,000
New obligational authority:			
Appropriation	$500,000	$505,000	$619,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	8,000		
Appropriation (adjusted)	508,000	505,000	619,000
Proposed supplemental due to pay increases		49,000	

The Office of the General Counsel acts as legal adviser to the Secretary, all the operating agencies of the Department, and the directors of the nine regional offices.

Public Law 85-929, the Food Additives Amendment, approved September 6, 1958, imposes certain enforcement workloads upon this Office and this will occasion a supplemental in 1959.

Public Law 85-840, approved August 29, 1958, extends the Social Security Act and imposed certain additional workloads upon this Office, and this will occasion a supplemental in 1959.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,458	$5,553	$5,500	$5,500
Selected resources at start of year (−)		−3,458	−5,553	−5,500
Adjustment of selected resources reported at start of year		79		
Costs financed from obligations of other years, net (−)			−53	
Obligations incurred for costs of other years, net		2,174		

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		129		136		150
Average number of all employees		120		131		144
Number of employees at end of year		120		135		148
Average GS grade and salary	9.1	$6,861	9.1	$7,466	9.0	$7,320
01 Personal services:						
Permanent positions		$875,637		$974,603		$1,051,649
Other personal services		3,209		3,747		7,524
Total personal services		878,846		978,350		1,059,173
02 Travel		11,070		9,000		9,000
03 Transportation of things		939		100		100
04 Communication services		5,668		5,000		6,120
05 Rents and utility services		762				
06 Printing and reproduction		1,116		1,200		1,200
07 Other contractual services		6,360		6,200		6,200
08 Supplies and materials		10,626		6,324		6,954
09 Equipment		15,614		9,029		11,029
11 Grants, subsidies, and contributions		50,871		58,800		63,874
13 Refunds, awards, and indemnities		100				
15 Taxes and assessments		996		1,050		1,350
Total costs		982,968		1,075,053		1,165,000
Costs financed from obligations of other years, net (−)				−53		
Obligations incurred for costs of other years, net		2,174				
Total obligations		985,142		1,075,000		1,165,000

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, [$632,000] *$703,000*. (*Department of Health, Education, and Welfare Appropriation Act, 1959.*)

Appropriated 1959, **$632,000** Estimate 1960, **$703,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Surplus property utilization (total program costs)	$646,808	$692,363	$703,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−2,266	−3,363	
Total program (obligations)	644,542	689,000	703,000
Financing:			
Comparative transfers from (−) other accounts	−131,454		
Unobligated balance no longer available	4,912		
New obligational authority	518,000	689,000	703,000
New obligational authority:			
Appropriation	$502,000	$632,000	$703,000
Transferred from "Grants to States for public assistance," Social Security Administration (72 Stat. 243)	16,000		
Appropriation (adjusted)	518,000	632,000	703,000
Proposed supplemental due to pay increases		57,000	

The Secretary (1) allocates needed surplus personal property to State agencies for educational, public health,

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OFFICE OF THE SECRETARY—Continued

SURPLUS PROPERTY UTILIZATION—Continued

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) administers the rights of the United States under the terms and conditions of transfer.

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.

	1958 actual	*1959 estimate*	*1960 estimate*
Personal property allocations (millions)	$302.5	$325.0	$350.0
Real property transfers (millions)	9.4	12.0	12.0
Collections (thousands)	820.8	550.0	550.0

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$6,233	$3,763	$400	$400
Selected resources at start of year (−)		−6,233	−3,763	−400
Adjustment of selected resources reported at start of year		204		
Costs financed from obligations of other years, net (−)		−2,266	−3,363	

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	87	91	93
Average number of all employees	83	87	89
Number of employees end of year	84	87	90
Average GS grade and salary	7.8 $5,905	7.7 $6,486	7.8 $6,487
01 Personal services:			
Permanent positions	$513,991	$566,045	$576,848
Positions other than permanent	3,883		
Other personal services	2,101	2,175	4,410
Total personal services	519,975	568,220	581,258
02 Travel	48,646	49,850	49,850
03 Transportation of things	2,775	1,220	1,220
04 Communication services	18,508	20,895	20,895
05 Rents and utility services	893		
06 Printing and reproduction	3,172	2,660	2,660
07 Other contractual services	3,300	4,404	4,475
08 Supplies and materials	6,185	4,761	4,190
09 Equipment	12,161	3,743	1,000
11 Grants, subsidies, and contributions	30,447	36,440	37,282
13 Refunds, awards, and indemnities	150		
15 Taxes and assessments	596	170	170
Total costs	646,808	692,363	703,000
Costs financed from obligations of other years, net (−)	−2,266	−3,363	
Total obligations	644,542	689,000	703,000

WHITE HOUSE [COUNCIL] *CONFERENCE* ON AGING

For necessary expenses in carrying out the provisions of the White House Conference on Aging Act, [including services as authorized by section 15 of the Act of August 2, 1946, as amended (5 U. S. C. 55a), $100,000] *$452,000.* (*Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$100,000** Estimate 1960, **$452,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Technical assistance to States and planning of conference (total obligations)		$100,000	$452,000
Financing:			
Appropriation (new obligational authority)		100,000	452,000

In January 1961, a national conference will be held to discuss and develop recommendations for programs in the field of aging. The $100,000 appropriated in 1959 starts the preliminary work. Additional staff is recommended in 1960, primarily to assist the States in the conduct of State conferences and in preparing for the White House Conference.

In addition, a supplemental appropriation for 1959 is anticipated under Proposed for later transmission principally, to provide grants to help pay the costs incurred by each State.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		6	31
Full-time equivalent of all other positions		1	1
Average number of all employees		5	30
Number of employees at end of year		6	30
Average GS grade and salary		10.7 $8,438	9.1 $7,076
01 Personal services:			
Permanent positions		$29,484	$202,415
Positions other than permanent		15,000	15,000
Other personal services		384	1,957
Total personal services		44,868	219,372
02 Travel		19,100	38,200
03 Transportation of things		400	3,000
04 Communication services		1,600	3,480
06 Printing and reproduction		11,000	25,000
07 Other contractual services		700	18,300
Services performed by other agencies		17,412	121,891
08 Supplies and materials		300	1,900
09 Equipment		2,700	7,600
11 Grants, subsidies, and contributions		1,920	13,257
Total obligations		100,000	452,000

Intragovernmental funds:

WORKING CAPITAL FUND

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 addressograph 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 tabulating 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.

Operating results and financial conditions.—Government investment at end of 1960 is expected to consist of donated assets and retained earnings. The earnings are retained to meet future needs.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Reproduction:			
Acquisition of equipment	$14,710	$10,000	$5,000
Expense:			
Purchase of commodities for manufacture or sale	206,266	206,342	206,400
Other expense	394,096	424,442	423,183
Tabulating:			
Acquisition of equipment	1,320	2,600	500

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Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied)—Con.			
Tabulating—Continued			
Expense:			
Purchase of commodities for manufacture or sale	$10,767	$10,000	$10,500
Other expense	306,674	380,924	435,404
Supply services:			
Acquisition of equipment	531	400	400
Expense:			
Purchase of commodities for manufacture or sale	278,965	290,295	280,500
Other expense	86,890	108,729	116,734
Adjustment of prior years expense	5,719		
Increase in selected working capital		200	6,100
Total gross expenditures	1,305,938	1,433,932	1,484,721
Receipts from operations (funds provided):			
Reproduction: Revenue	$584,463	$643,000	$639,000
Tabulating: Revenue	326,805	397,449	449,500
Supply services: Revenue	385,049	407,051	399,600
Undistributed receipts:			
Proceeds from sale of donated assets	300		
Adjustment of prior year revenue	1,548		
Decrease in selected working capital	1,066		
Total receipts from operations	1,299,231	1,447,500	1,488,100
Budget expenditures	6,707	−13,568	−3,379

Revenue, Expense, and Retained Earnings

Reproduction:			
Revenue	$584,463	$643,000	$639,000
Expense	614,375	641,184	638,983
Net operating income or loss (−), reproduction	−29,912	1,816	17
Tabulating:			
Revenue	326,805	397,449	449,500
Expense	319,399	392,724	447,604
Net operating income, tabulating	7,406	4,725	1,896
Supply services:			
Revenue	385,049	407,051	399,600
Expense	367,028	400,024	398,134
Net operating income, supply services	18,021	7,027	1,466
Nonoperating income or loss (−):			
Proceeds from sale of donated assets	300		
Net book value of equipment sold (−)	−173		
Net gain from sales	127		
Affecting revenue	1,548		
Affecting expense	−5,719		
Not affecting working capital (−)	−22,209		
Net nonoperating loss (−)	−26,253		
Net income or loss (−) for the year	−30,738	13,568	3,379
Retained earnings, beginning of year	110,785	80,047	93,615
Retained earnings, end of year	80,047	93,615	96,994

Financial Condition

Assets:			
Cash with Treasury	$264,339	$277,907	$281,286
Accounts receivable	23,534	25,000	26,000
Supplies and deferred charges	126,065	125,066	120,666
Equipment, net	85,430	85,230	79,130
Total assets	499,368	513,203	507,082
Liabilities:			
Current	199,233	199,500	190,000
Government investment:			
Non-interest-bearing capital:			
Start of year	215,763	220,088	220,088
Donated property during year	4,325		
End of year	220,088	220,088	220,088
Retained earnings	80,047	93,615	96,994
Total Government investment	300,135	313,703	317,082

NOTE: Unpaid undelivered orders are as follows: 1957, $38,743; 1958, $28,829; 1959, $26,000; 1960, $24,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	124	153	153
Full-time equivalent of all other positions	6		
Average number of all employees	129	148	152
Number of employees at end of year	132	148	152
Average GS grade and salary	4.9 $4,327	4.7 $4,540	4.7 $4,542
Average salary of ungraded positions	$4,805	$4,962	$4,962
01 Personal services:			
Permanent positions	$575,561	$697,283	$709,906
Positions other than permanent	25,341	1,500	1,000
Other personal services	39,912	31,297	30,646
Excess of annual leave earned over leave taken	3,212		
Total personal services	644,026	730,080	741,552
02 Travel	746	750	750
03 Transportation of things	1,897	1,900	1,900
04 Communication services	3,310	3,350	3,350
05 Rents and utility services	87,472	96,000	135,528
07 Other contractual services	39,186	40,000	44,000
08 Supplies and materials	476,858	503,932	500,291
09 Equipment	16,561	13,000	5,900
11 Grants, subsidies, and contributions	35,169	44,020	44,850
15 Taxes and assessments	713	700	500
Total costs	1,305,938	1,433,732	1,478,621
Costs financed from obligations of other years, net (−)		−3,828	−6,400
Obligations incurred for costs of other years, net	35,667		
Total obligations	1,341,605	1,429,904	1,472,221

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. State merit systems (Department of Labor)	$49,106	$62,300	$62,500
2. Defense planning	2,124		
3. Survey of medical research and education	16,080	1,000	
4. Miscellaneous services	1,517		
5. Sale of equipment	206		
6. Prior year balance returned	119		
Total obligations	69,152	63,300	62,500
Financing:			
Unobligated balance brought forward	119		
Advances and reimbursements from—			
Other accounts	69,173	63,300	62,500
Non-Federal sources (40 U. S. C. 481 (c))	283		
Unobligated balance no longer available	−423		
Total financing	69,152	63,300	62,500

Object Classification

Total number of permanent positions	6	7	7
Full time equivalent of all other positions	2		
Average number of all employees	8	7	7
Number of employees at end of year	7	7	7
Average salary and grade	10.3 $7,265	10.9 $8,572	10.9 $8,572
01 Personal services:			
Permanent positions	$44,744	$58,097	$58,057
Positions other than permanent	14,568	500	
Other personal services	172	223	446
Total personal services	59,484	58,820	58,503
02 Travel	6,094	500	
07 Other contractual services	151	187	187
09 Equipment	206		
11 Grants, subsidies, and contributions	2,878	3,793	3,810
15 Refunds, awards, and indemnities	339		
Total obligations	69,152	63,300	62,500

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OFFICE OF THE SECRETARY—Continued

Proposed for later transmission:

SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION

Under existing legislation, 1959.—A proposed increase in the transfer from the Federal old-age and survivors insurance trust fund of $98,000 is anticipated for 1959 as a result of Public Law 85–840, approved August 29, 1958, which expanded the operation of the Social Security Administration resulting in an increased workload of claims, hearing, and appeal work involving a substantial increase in employment. This in turn has increased the operations of this Office requiring additional staff to provide administrative services for the expanded employment of the Social Security Administration.

SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Departmental program services (total costs—obligations)		$16,000	
Financing:			
Proposed supplemental appropriation		16,000	

Under existing legislation, 1959.—A supplemental appropriation of $16,000 is anticipated for 1959 as a result of the enactment of Public Law 85–929, approved September 6, 1958, which amends the Federal Food, Drug, and Cosmetic Act and imposes certain responsibilities on this Office.

In addition, an increase in the Federal old-age and survivors insurance trust fund in the amount of $16,000 will be requested in 1959 because of the enactment of Public Law 85–840, approved August 29, 1958, which also imposes certain workloads on this Office.

WHITE HOUSE CONFERENCE ON AGING

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants to States		$810,000	
2. Technical assistance to States and planning of conference		36,000	
Total obligations		846,000	
Financing:			
Proposed supplemental appropriation		846,000	

Under existing legislation, 1959.—A supplemental request of $846,000 is anticipated for 1959, primarily for grants to the States for conducting State conferences on aging.

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 *and for payment in advance for publications available only upon that basis or available at a reduced price on pre-publication orders.*

[SEC. 203. 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. [204] *203.* 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. [205] *204.* 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. [206] *205.* 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. 207. 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. [208. Any] *206. Hereafter any* appropriation available for the pay and allowances of commissioned officers of the Public Health Service may be utilized for the payment of claims as authorized by the Act of September 2, 1957 (71 Stat. 575).

SEC. 207. Not to exceed an aggregate of $5,000 shall, when authorized by the Secretary, be available, from appropriations under this title available for salaries and expenses, for entertainment of officials of and visiting scientists and other experts from other countries and of officials of international organizations, and the amount made available by this section shall be in lieu of any other amounts made available in this title for such purposes.

SEC. 208. Appropriations to the Public Health Service available for research grants pursuant to the Public Health Service Act shall also be available, on the same terms and conditions as apply to non-Federal institutions, for research grants to hospitals of the Service or to Saint Elizabeths Hospital.

SEC. 209. Any obligational authority for planning or construction of any building made available to the Department of Health, Education, and Welfare, which otherwise expires for obligation on June 30, 1959, shall remain available until June 30, 1960. (Department of Health, Education, and Welfare Appropriation Act, 1959.)

GENERAL PROVISIONS

SEC. 901. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 902. Appropriations contained in this Act, 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]. *(Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959.)*

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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	$31,100	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 and 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	2,900	1 ambulance for emergency calls and transportation of patients.
PUBLIC HEALTH SERVICE								
Assistance to States, general						14	5,000	Professional and technical personnel: General health demonstrations, field training, and consultative services in the field.
Control of tuberculosis						1	1,000	Public health representatives, professional and technical personnel: Demonstrations, casefindings and training activities related to the tuberculosis program in the field.
Station wagon						2		Do.
Communicable disease activities	3	4,500	3	600	3,900	49	17,000	Technical, professional and other personnel: Investigation and control of communicable diseases, and transportation of material related thereto. Health and sanitation activities in Alaska.
Station wagon						5		Do.
Bus						3		Do.
Sanitary engineering activities	4	6,000	4	1,000	5,000	9	10,000	Engineers and field personnel: Environmental health and sanitation activities in the field.
Station wagon						9		Do.
Salaries and expenses, hospital construction services.						1	3,000	Hospital consultants, architects, engineers, and other field personnel: Work incident to the construction of hospitals and health facilities in the field.
Hospitals and medical care	6	9,000	6	900	8,100	16	10,350	Patients and employees: Transportation incident to operation of medical facilities, transport of emergency purchases in the field.
Station wagon						8	5,400	Do.
Ambulance	2	11,000	2	300	10,700	10	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						45	19,596	Officers and employees at foreign quarantine stations: Inspection and fumigation of ships and airplanes arriving from foreign ports.
Station wagon						3	1,620	Do.
Indian health activities	14	21,000	4	1,000	20,000	64	28,400	Patients and employees: Transportation of patients to hospitals and clinics. Physicians and other personnel: Transportation to field locations to render public health services.
Station wagon	12	23,500	12	1,800	21,700	90	11,400	Do.
Ambulance						17		Patients: Transportation to hospitals and clinics in the field.
Bus	4	46,000	4	400	45,600	2		Patients: Transportation of large groups to other Government installations in the field.
National Institutes of Health management fund.	13	19,500	13	975	18,525	18	24,000	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 weekends.
Station wagon	2	3,900	2	200	3,700	10		Same as above. Also transporting mail and personnel between Bethesda, Md., and 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 Heart Institute						2		Scientists and other technical personnel: Heart research, control and demonstration programs in the field.
Dental health activities: Station wagon.						6		Professional and scientific personnel: Dental studies and investigations in the field.
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							409	Surgeon General, deputy surgeon general, and other personnel: Transportation to and from official 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	60	144,400	50	7,175	137,225	398	137,715	
SAINT ELIZABETHS HOSPITAL								
Salaries and expenses						1	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							262	
Bus						4		
Ambulance						2		
Total, Saint Elizabeths Hospital						7	1,562	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960—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)				
SOCIAL SECURITY ADMINISTRATION								
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance.	1	$2,000	1	$150	$1,850	----------	----------	Automobile is used by top-level administrative and technical personnel of the Bureau. The public purpose is to provide prompt transportation of top staff between widely separated Bureau installations in Baltimore. After the opening of the new building, it will be used to transport Bureau employees and visitors to the Bureau to and from transportation terminals.
Station wagon	1	2,000	----------	----------	----------	1	----------	Station wagon is used to transport small groups of employees between Bureau installations in Baltimore. After the opening of the new building, the above need will, of course, terminate. Then, however, the location of the building on the outskirts of the city will increase the need of a vehicle to transport Bureau employees and visitors to the Bureau to and from transportation terminals. By providing speedy transportation, valuable staff time is saved.
Do	----------	----------	----------	----------	----------	----------	$480	The station wagon is rented from the General Services Administration motor pool in New York City. The public purpose is to transport transcripts of benefit payment rolls between Treasury Department disbursing office and the New York payment center. 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. Public purpose is to maintain regular shuttle service among the widely separated Bureau locations. After the opening of the new building, it will be used to provide regular transportation between Washington, D. C., and the new building, which will be on the outskirts of Baltimore.
Total, Social Security Administration.	2	4,000	1	150	1,850	2	----------	
OFFICE OF THE SECRETARY								
Salaries and expenses	----------	----------	----------	----------	----------	2	[1] 1,758	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.	87	185,900	76	9,825	174,075	667	[1] 175,035	

[1] $500 is for rentals other than from Government motor pools.

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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	----------	----------	----------	----------	----------	3	$4,700	Professional and technical personnel: Technical development and epidemic control activities of the communicable disease center, including devising spray epuipment, 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 1960 request for new obligational authority for the Department of the Interior is $745 million, a reduction of $58 million from the current year. Most of the reduction is in the construction programs of the Department, and includes a nonrecurring item of $20 million for a highway on Navajo-Hopi Indian lands. Expenditures in 1960 are estimated at $757 million. The decrease of $52 million from the 1959 estimate is largely in the construction programs of the Bureau of Reclamation and the National Park Service. Work on these and other public works projects was accelerated in the latter part of 1958 as an antirecession measure, and the high rate of construction has continued into 1959. The 1960 budget provides for the work to be continued at somewhat reduced rates.

About 90% of the funds requested for 1960 are for conservation and development of natural resources. Most of the remainder is for educational services for the Indians and administration of Territories and possessions.

Many programs of the Department of the Interior, in addition to providing long-range economic benefits, also result in direct financial returns. These revenues, estimated at $403 million in 1960, come mostly from the sale of power generated at Government dams, collections from water users on irrigation projects, grazing fees, park permits, timber sales, and mineral leases on public lands (including the outer Continental Shelf) and on Indian lands. Some of the revenues are used to repay earlier investments of the Government in irrigation and power facilities; others are (1) shared with the States and counties as authorized by the Congress, (2) appropriated or placed in revolving funds to finance Federal programs, or (3) added to the general revenues of the Treasury.

Land and water resources.—Expenditures for the conservation and development of land and water resources make up about 57% of total expenditures for the natural resources programs. Much of this total is for multipurpose development of the water resources of the West for irrigation, water supply, flood control, navigation, hydroelectric power, and related recreational and fish and wildlife purposes.

Total expenditures for the Bureau of Reclamation in 1960 are estimated at $250 million, largely for continued progress on 57 projects. The budget for 1960 provides no funds to initiate construction of new projects by the Bureau of Reclamation. A supplemental appropriation of $4,860,000 will be requested for 1959 to finance two small project loans for which applications have been presented to the Congress. The Bureau will continue to construct and operate transmission facilities to market power from Reclamation and Corps of Engineers, Army, projects in the Missouri River Basin and other Reclamation projects except those in the Pacific Northwest.

The 1960 budget recommendations will permit continuation of research on the utilization of saline water. Also, the planning phase of the program for demonstration plants, started in the current year, will go forward in 1960.

The Bonneville Power Administration will continue to construct and operate high voltage transmission facilities to integrate 17 Federal hydroelectric plants and to interconnect the Federal grid with non-Federal utility systems in the Pacific Northwest. The Southwestern and Southeastern Power Administrations will market power generated at 19 Corps of Engineers, Army, projects in operation in their respective areas. Expenditures for the three agencies are estimated to increase from $36 million in 1959 to $41 million in 1960, chiefly because of an increase in construction on the Bonneville system.

The Bureau of Land Management will administer 475 million acres of public lands of the United States, of which approximately 300 million acres are in Alaska, for the purpose of conserving the forest, range, mineral, and water resources. Applications for all types of land use and for lease of mineral resources are increasing. Cadastral surveys will be increased somewhat to locate the legal boundaries of public lands to be selected by Alaska under the provisions of the Statehood Act. New obligational authority for the Bureau of Indian Affairs to promote the economic activity of the Indians through utilization of the resources of their lands will increase slightly. Construction will continue in 1960 on roads, irrigation systems, and schools and other buildings, with expenditures somewhat below the 1959 level.

Forest resources.—Expenditures for payments to the counties as shared revenues from the sale of timber on the Oregon and California revested lands and the Coos Bay Wagon Road grant lands are classified under this subfunction. However, the timber management activities on the public domain lands and the Indian trust lands are classified under the heading of land and water resources, since these activities are carried on in connection with other land management activities.

General resource surveys and mineral resources.—Funds recommended for 1960 for the Geological Survey and the Bureau of Mines will permit these agencies to carry on mapping, investigations and research directed toward discovery of additional sources of essential minerals, improvement of mining techniques, and better utilization of mineral supplies at about the 1959 levels. Recommended appropriations for the Bureau of Mines for 1960 are $13 million below the 1959 total since no funds are recommended for construction. The Minneapolis laboratory and the Keyes helium plant, now under construction, will be substantially completed in 1959 with the $13 million provided for that year. Legislation to conserve the Nation's helium resources, with private participation in accomplishing this objective, will be presented for early consideration of the Congress.

During the past session legislation was enacted to encourage private exploration for minerals by Federal financial participation in the costs of exploration along the lines of a prior program which had been conducted under the Defense Production Act. The current program provides for Federal contributions of 50% of the operator's cost of accepted exploration projects. The advance will be repaid with interest if ore is produced within a specified period.

Other expenditures for mineral resources include payments to the States of a share of the revenues from the mineral leasing of lands in the public domain. These payments are estimated at $43 million in 1960, an increase of $5 million over the 1959 estimate.

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Recreational use of natural resources.—Expenditures by the National Park Service in 1960 will be somewhat below the 1959 level, but substantially above the total for 1958. They will provide for management and operation of the park system and for construction of parkways, roads and trails, and buildings and facilities to meet the needs of 65 million visitors estimated for 1960.

Fish and wildlife resources.—The Bureau of Sport Fisheries and Wildlife will carry on research and will operate and maintain 91 fish cultural stations and administer 18 million acres in wildlife refuges in 1960. Funds recommended for 1960 are at about the 1959 level. Some increase is recommended, however, for acquisition of additional wildlife areas.

During the past session of the Congress an additional authorization of $10 million was provided for the fishery loan fund, administered by the Bureau of Commercial Fisheries. It is recommended that $3 million of this amount be appropriated for 1960 to make loans to segments of the fishing industry unable to obtain commercial loans on reasonable terms. In 1960 the Bureau will begin operation of the vessel mortgage insurance program, recently transferred from the Department of Commerce.

The Fish and Wildlife Service cooperates with the States in fish and wildlife restoration projects. Assistance is provided by appropriation of funds equal to the excise taxes on hunting and fishing gear. These payments are estimated to be about $23 million in 1960. As a State, Alaska will receive 70% of the net proceeds from the Pribilof Islands and a payment under the Alaska game law, administered by the Service. These payments to Alaska are estimated to be $1 million in 1960.

Promotion of education.—New obligational authority requested for the Bureau of Indian Affairs for 1960, to provide educational services for the Indians living on tax-exempt Indian trust lands, is approximately $1 million less than the amount appropriated for 1959. Increased costs of operating Federal facilities will be largely offset by a decrease of approximately $4.5 million in funds needed to assist States in the education of Indian children enrolled in public schools. This decrease results from the fact that Indian children are now included under the program administered by the Department of Health, Education, and Welfare to provide assistance to States in which Federal programs are so large as to place an extraordinary burden on local school districts. The Bureau will continue to assist local districts in which Indian children are not otherwise eligible for aid and will provide certain types of special services to Indian children.

Community development and facilities.—1959 marks the completion of appropriations for the $70 million program of public works in Alaska, financed by the United States Government on a grant and loan basis. The Alaska communities will operate the facilities and repay 50% of the construction costs. Grants to Samoa and the Trust Territory of the Pacific Islands, to help defray the costs of government, will continue at about the 1959 level. Supplemental appropriations totaling $1.5 million will be recommended in 1959 for the Virgin Islands Corporation to construct a desalination water and related power facility to meet critical shortages in St. Thomas.

Other aids to business.—For the present the Department will continue to operate the Alaska railroad. Net expenditures will decrease by about $3 million as the need for track improvements decreases.

Labor and manpower.—The Bureau of Mines carries on inspections, investigations, research, and rescue work to reduce the working hazards in mines. Under the 1960 budget recommendations, the program will be carried on at the same level as in the current year.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Labor and welfare:						
211 Labor and manpower	$6,096	$6,387	$6,387	$5,708	$6,400	$6,450
214 Promotion of education	57,357	60,540	58,958	54,269	59,585	57,300
Total, labor and welfare	63,453	66,927	65,345	59,977	65,985	63,750
Natural resources:						
401 Conservation and development of land and water resources	324,261	422,348	387,354	342,387	403,865	384,099
402 Conservation and development of forest resources	10,131	11,048	12,052	10,131	11,048	12,052
403 Conservation and development of mineral resources	59,823	81,558	67,764	58,833	77,636	77,723
404 Conservation and development of fish and wildlife	63,274	60,888	68,055	58,117	67,203	67,880
405 Recreational use of natural resources	77,162	84,110	80,190	68,807	96,964	82,396
409 General resource surveys and administration	47,273	58,573	52,381	43,440	61,065	50,977
Total, natural resources	581,924	718,525	667,796	581,715	717,781	675,127
Commerce and housing:						
515 Community development and facilities	6,000	5,300		7,544	7,695	3,000
518 Other aids to business				4,665	4,600	2,000
Total, commerce and housing	6,000	5,300		12,209	12,295	5,000
General government:						
609 Territories and possessions, and the District of Columbia	11,983	12,477	11,833	11,482	12,034	12,762
610 Other general government	191	189	189	359	907	204
Total, general government	12,174	12,666	12,022	11,841	12,941	12,966
Total, Department of the Interior	663,551	803,418	745,163	665,742	809,003	756,843

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
DEPARTMENTAL OFFICES												
Current authorizations:												
Office of Saline Water:												
Salaries and expenses	401	$725	$1,170	$14	$1,355	$780	$1,162	$13	$1,175	$1,354	$1	$1,355
Reappropriation	401		63									
Construction	401				300					300		300
Office of Oil and Gas: Salaries and expenses	403	563	544	45	390	511	548	42	590	407	3	410
Office of the Solicitor: Salaries and expenses	409	2,980	2,837	254	3,091	2,805	2,956	252	3,208	3,089	2	3,091
Reappropriation	409	19										
Office of Minerals Exploration: Salaries and expenses	403		3,963		1,500		1,590		1,590	2,700		2,700
Office of Minerals Mobilization: Salaries and expenses	403	254	262	21		239	262	20	283	20	1	21
Acquisition of strategic minerals	403	6,700	3,200			5,402	5,464		5,464	790		790
Total, departmental offices		11,241	12,039	334	6,636	9,737	11,983	327	12,310	8,660	7	8,667
COMMISSION OF FINE ARTS												
Current authorizations:												
Salaries and expenses	610	36	35	3	38	36	35	3	38	38		38
BONNEVILLE POWER ADMINISTRATION												
Current authorizations:												
Construction	401	22,038	20,934		25,000	25,537	20,200		20,200	23,628		23,628
Operation and maintenance	401	8,813	9,170	318	10,250	8,600	9,350	300	9,650	10,182	18	10,200
Permanent authorizations:												
Continuing fund for emergency expenses, Bonneville power project, Oregon (indefinite special fund)	401	164				164						
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Operation and maintenance	401			100				100	100			
Total, Bonneville Power Administration		31,015	30,104	418	35,250	34,301	29,550	400	29,950	33,810	18	33,828
SOUTHEASTERN POWER ADMINISTRATION												
Current authorizations:												
Operation and maintenance	401	2,021	735		735	2,007	789		789	737		737
SOUTHWESTERN POWER ADMINISTRATION												
Current authorizations:												
Construction	401	1,480			880	881	979		979	835		835
Operation and maintenance	401	1,023	975	55	1,150	982	961	53	1,014	1,098	2	1,100
Continuing fund	401	3,665	4,420		5,000	3,978	3,000		3,000	4,500		4,500
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Operation and maintenance	401			7				7	7			
Total, Southwestern Power Administration		6,168	5,395	62	7,030	5,841	4,940	60	5,000	6,433	2	6,435
BUREAU OF LAND MANAGEMENT												
Current authorizations:												
Management of lands and resources	401	23,325	23,075	1,237	24,377	22,565	22,603	1,050	23,653	23,333	187	23,520
Construction	401	5,480	4,685		5,200	4,245	5,501		5,501	5,000		5,000
Range improvements (receipt limitation) (indefinite)	401	565	687		776	498	674		674	750		750
Permanent authorizations:												
Expenses, sale of timber, etc., on reclamation lands (indefinite special fund)	402	1	2		2	1	2		2	2		2
Leasing of grazing lands (receipt limitation)	401	1	1		1	1	1		1	1		1
Payments to Oklahoma (royalties) (receipt limitation)	401	9	15		15	9	15		15	15		15
Payments to Coos and Douglas Counties, Oregon, from receipts Coos Bay Wagon Road grant lands (indefinite special fund)	402	24	70		50	24	70		70	50		50
Payments to counties, Oregon and California grant lands (indefinite special fund)	402	10,106	10,976		12,000	10,106	10,976		10,976	12,000		12,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
BUREAU OF LAND MANAGEMENT—Con.												
Permanent authorizations—Continued												
Payments to States (grazing fees) (indefinite special fund)	401	----------	$1	----------	$1	$1	$1	----------	$1	$1	----------	$1
Payments to States (proceeds of sales) (receipt limitation)	401	$198	175	----------	228	198	175	----------	175	228	----------	228
Payments to States from grazing receipts, etc., public lands outside grazing districts (indefinite special fund)	401	187	176	----------	200	179	200	----------	200	200	----------	200
Payments to States from grazing receipts, etc., public lands within grazing districts (indefinite special fund)	401	175	221	----------	258	176	221	----------	221	258	----------	258
Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous (indefinite special fund)	401	3	3	----------	5	3	3	----------	3	5	----------	5
Payments to States from receipts under Mineral Leasing Act (indefinite special fund)	403	32,169	38,300	----------	43,275	32,169	38,300	----------	38,300	43,275	----------	43,275
Payments to Territory of Alaska, income and proceeds Alaska school lands (indefinite special fund)	401	13	15	----------	----------	22	15	----------	15	----------	----------	----------
Payments to Alaska, coal leases (indefinite special fund)	403	43	110	----------	110	43	110	----------	110	110	----------	110
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Management of lands and resources	401	----------	----------	$2,500	----------	----------	----------	$2,250	2,250	----------	$250	250
Total, Bureau of Land Management	------	72,299	78,512	3,737	86,498	70,240	78,867	3,300	82,167	85,228	437	85,665
BUREAU OF INDIAN AFFAIRS												
Current authorizations:												
Education and welfare services:												
Appropriation	214	56,938	57,720	2,200	58,338	54,269	57,470	2,115	59,585	57,215	85	57,300
Liquidation of contract authorization	214	(396)	(419)	----------	(620)							
Resources management	401	17,549	18,100	925	22,425	17,566	18,000	890	18,890	21,115	35	21,150
Construction	401	17,000	26,000	----------	17,000	12,548	23,575	----------	23,575	20,470	----------	20,470
Road construction and maintenance (liquidation of contract authorization)	401	(12,000)	(12,000)	----------	(14,600)	10,531	15,883	----------	15,883	14,600	----------	14,600
General administrative expenses	409	3,560	3,450	265	3,715	3,343	3,447	255	3,702	3,708	10	3,718
Payment to Klamath Tribe of Indians	409	----------	250	----------	100	----------	200	----------	200	150	----------	150
Payment to Menominee Tribe of Indians	409	300	200	----------	----------	----------	200	----------	200	75	----------	75
Liquidation of Klamath and Menominee agencies	409	----------	----------	----------	250	----------	----------	----------	----------	240	----------	240
Distribution of funds for the Creek Indians	610	----------	----------	----------	----------	63	70	----------	70	15	----------	15
Colorado River Indian reservation benefits, southern and northern reserve (indefinite special fund)	401	134	112	----------	112	75	155	----------	155	128	----------	128
Miscellaneous accounts:												
Payment to Pine Ridge Sioux Tribe of Indians	610	----------	----------	----------	----------	----------	147	----------	147	----------	----------	----------
Payment to loyal Creeks and Freedmen	610	----------	----------	----------	----------	101	408	----------	408	----------	----------	----------
Payment to Sioux Indians for property losses, act of May 3, 1928, prior years	610	1	----------	----------	----------	13	----------	----------	----------	----------	----------	----------
Permanent authorizations:												
Education and welfare services (contract authorization)	214	419	620	----------	620							
Road construction and maintenance (contract authorization)	401	12,000	32,000	----------	12,000							
Claims and treaty obligations (indefinite)	610	150	141	----------	141	146	160	----------	160	141	----------	141
Other permanent appropriations (indefinite special funds):												
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936	610	4	10	----------	10	----------	73	----------	73	10	----------	10
Colorado River Indian reservation fund, northern reserve	401	1	----------	----------	----------	39	----------	----------	----------	----------	----------	----------
Colorado River Indian reservation fund, southern reserve	401	5	----------	----------	----------	11	10	----------	10	----------	----------	----------
Indian arts and crafts fund	401	----------	----------	----------	----------	1	----------	----------	----------	----------	----------	----------
Operation and maintenance, Indian irrigation systems	401	2,437	3,000	----------	3,000	2,391	2,653	----------	2,653	2,800	----------	2,800
Power systems, Indian irrigation projects	401	1,542	1,487	----------	1,600	1,797	1,465	----------	1,465	1,650	----------	1,650
Purchase of land for Rocky Boy's Reservation, Montana	610	----------	----------	----------	----------	----------	11	----------	11	----------	----------	----------

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
BUREAU OF INDIAN AFFAIRS—Continued												
Public enterprise funds:												
Revolving fund for loans	401					$631	$626		$626	$433		$433
Liquidation of Hoonah housing project revolving fund	401						−3		−3	−3		−3
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Road construction and maintenance (liquidation of contract authorization)	401			($1,000)				$1,000	1,000			
Payment to Standing Rock Sioux Tribe of Indians	409			6,960				6,960	6,960			
Total, Bureau of Indian Affairs		$112,040	$143,090	10,350	$119,311	103,525	124,550	11,220	135,770	122,747	$130	122,877
BUREAU OF RECLAMATION												
Current authorizations:												
General investigations	401	5,932	4,556		5,000	5,173	5,700		5,700	5,000		5,000
Construction and rehabilitation	401	126,716	146,015		135,410	154,505	152,000		152,000	137,000		137,000
Operation and maintenance	401	27,787	27,500	924	29,131	26,109	28,912	888	29,800	28,964	36	29,000
General administrative expenses	401	4,249	4,039	361	4,400	4,100	4,113	347	4,460	4,386	14	4,400
Loan program	401		9,637		220		8,000		8,000	4,140		4,140
Emergency fund	401					254	153		153	100		100
Permanent authorizations:												
Disposal of Coulee Dam community (indefinite special fund)	401	85	124		97	53	156		156	97		97
Boulder City municipal fund (indefinite special fund)	401				270					150		150
Colorado River dam fund, Boulder Canyon project:												
Payment of interest on advances from the Treasury (indefinite special fund)	401	3,197	3,200		3,200	3,197	3,200		3,200	3,200		3,200
Payments to States of Arizona and Nevada (definite special fund)	401	600	600		600	600	600		600	600		600
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen, and Pathfinder Irrigation Districts) (indefinite special fund)	401	5	4		4	11	30		30	4		4
Payments to Farmers' Irrigation District (North Platte project, Nebraska-Wyoming) (indefinite special fund)	401	3	8		8	3	8		8	8		8
Refunds and returns (indefinite)	401		125		125	57	127		127	83		83
Public enterprise funds:												
Continuing fund for emergency expenses, Fort Peck project, Montana	401					−1,096	−1,234		−1,234	−1,642		−1,642
Payment to Upper Colorado River Basin fund (current appropriation)	401	35,142	68,033		77,035	33,013	65,000		65,000	65,000		65,000
Upper Colorado River Basin fund												
Intragovernmental funds:												
Advances and reimbursements	401					1						
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Loan program	401			4,860				2,000	2,000		2,860	2,860
Total, Bureau of Reclamation		203,716	263,841	6,145	255,500	225,980	266,765	3,235	270,000	247,090	2,910	250,000
GEOLOGICAL SURVEY												
Current authorizations:												
Surveys, investigations, and research	409	37,438	38,415	2,417	42,518	34,601	40,615	2,305	42,920	40,750	112	40,862
Reappropriation	409	415										
Permanent authorizations:												
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40 (d) (indefinite special fund)	401	1	1		1							
Intragovernmental funds:												
Advances and reimbursements	409					300	300		300	100		100
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Surveys, investigations, and research	409			818				780	780		38	38
Total, Geological Survey		37,854	38,416	3,235	42,519	34,901	40,915	3,085	44,000	40,850	150	41,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
BUREAU OF MINES												
Current authorizations:												
Conservation and development of mineral resources	403	$18,929	$19,589	$1,338	$21,277	$18,099	$18,826	$1,284	$20,110	$20,426	$54	$20,480
Health and safety	211	6,096	5,900	487	6,387	5,708	5,931	469	6,400	6,432	18	6,450
Construction	403	23	12,624			331	7,093		7,093	5,372		5,372
General administrative expenses	403	1,133	1,095	102	1,197	1,035	1,102	98	1,200	1,196	4	1,200
Drainage of anthracite mines	403					415	2,000		2,000	1,400		1,400
Public enterprise funds:												
Development and operation of helium properties	403					454	546		546	1,936		1,936
Intragovernmental funds:												
Advances and reimbursements	403					126						
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Conservation and development of mineral resources	403			350				336	336		14	14
Total, Bureau of Mines		26,181	39,208	2,277	28,861	26,168	35,498	2,187	37,685	36,762	90	36,852
NATIONAL PARK SERVICE												
Current authorizations:												
Management and protection	405	14,527	14,682	1,189	17,000	13,588	13,366	1,134	14,500	16,095	55	16,150
Reappropriation	405		45									
Maintenance and rehabilitation of physical facilities	405	11,664	12,175	231	14,000	11,517	11,580	220	11,800	13,164	11	13,175
Construction	405	17,400	20,000		13,600	15,733	19,999		19,999	17,500		17,500
Construction (liquidation of contract authorization)	405	(31,000)	(30,000)		(34,000)	26,443	49,000		49,000	34,000		34,000
General administrative expenses	405	1,391	1,330	104	1,475	1,335	1,231	99	1,330	1,445	5	1,450
Permanent authorizations:												
Construction (contract authorization)	405	32,000	34,000		34,000							
Education expenses, children of employees, Yellowstone National Park (indefinite special fund)	405	15	34		43	25	29		29	39		39
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park (indefinite special fund)	405	98	55		7	116	100		100	36		36
Payment of tax losses on land acquired for Grand Teton National Park (indefinite special fund)	405	29	30		30	27	29		29	30		30
Purchase of great Onyx and Crystal Cave properties, Mammoth Cave National Park (indefinite special fund)	405	38	35		35							
Intragovernmental funds:												
Advances and reimbursements	405					23	−23		−23	16		16
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Management and protection	405			200				200	200			
Total, National Park Service		77,162	82,386	1,724	80,190	68,807	95,311	1,653	96,964	82,325	71	82,396
FISH AND WILDLIFE SERVICE												
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE												
Current authorizations:												
Salaries and expenses	404	961	308	27	343	833	399	26	425	357	1	358
BUREAU OF SPORT FISHERIES AND WILDLIFE												
Current authorizations:												
Management and investigations of resources:												
Definite	404	12,065	11,741	790	14,894	11,483	12,450	750	13,200	14,960	40	15,000
Indefinite	404	446	455									
Construction	404	5,677	3,929		2,105	2,768	6,200		6,200	3,300		3,300
General administrative expenses	404	172	714	61	631	155	682	58	740	639	3	642
Upper Mississippi River wildlife refuge	404						9		9	1		1

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
FISH AND WILDLIFE SERVICE—Con.												
BUREAU OF SPORT FISHERIES AND WILDLIFE—Con.												
Permanent authorizations:												
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (indefinite special fund)	404	$87	$74		$76	$47	$77		$77	$76		$76
Federal aid in fish restoration and management (receipt limitation)	404	4,717	4,995		5,000	5,476	5,500		5,500	5,500		5,500
Federal aid in wildlife restoration (indefinite special fund)	404	17,842	17,311		17,500	14,246	15,000		15,000	14,500		14,500
Management of national wildlife refuges (indefinite special fund)	404	1,832	1,519		1,400	1,548	1,650		1,650	1,500		1,500
Migratory bird conservation account (receipt limitation)	404	4,842	4,500		6,750	4,420	5,794		5,794	5,000		5,000
Payments to Alaska, Alaska Game Law (indefinite special fund)	404	100	100		100	100	100		100	100		100
Payments to counties from receipts under Migratory Bird Conservation Act (indefinite special fund)	404	610	506		465	610	506		506	465		465
Intragovernmental funds:												
Advances and reimbursements	404					11						
Total, Bureau of Sport Fisheries and Wildlife		48,390	45,844	$851	48,921	40,864	47,968	$808	48,776	46,041	$43	46,084
BUREAU OF COMMERCIAL FISHERIES												
Current authorizations:												
Management and investigations of resources:												
Definite	404	5,862	5,951	355	7,601	6,164	6,161	339	6,500	7,834	16	7,850
Indefinite	404	446	455									
Construction	404	700	500		245	107	1,000		1,000	1,100		1,100
General administrative expenses	404	122	175	15	325	100	188	14	202	299	1	300
Administration of Pribilof Islands (receipt limitation) (indefinite)	404	2,142	739		1,940	1,533	1,700		1,700	2,168		2,168
Permanent authorizations:												
Promote and develop fishery products and research pertaining to American fisheries (indefinite)	404	4,651	4,786		4,800	5,724	5,300		5,300	4,500		4,500
Payment to Alaska from Pribilof Island receipts (indefinite special fund)	404		882		880					882		882
Public enterprise funds:												
Fisheries loan fund	404				3,000	2,794	3,300		3,300	4,638		4,638
Limitation on administrative expenses	404	(313)	(313)		(313)							
Intragovernmental funds:												
Advances and reimbursements	404					−2						
Total, Bureau of Commercial Fisheries		13,923	13,488	370	18,791	16,420	17,649	353	18,002	21,421	17	21,438
Total, Fish and Wildlife Service		63,274	59,640	1,248	68,055	58,117	66,016	1,187	67,203	67,819	61	67,880
OFFICE OF TERRITORIES												
Current authorizations:												
Administration of Territories	609	1,930	2,100		2,606	1,888	2,115		2,115	2,606		2,606
Trust Territory of the Pacific Islands	609	6,150	4,715	160	5,225	6,143	4,721	158	4,879	5,223	2	5,225
Alaska public works	515	6,000	5,300			7,530	7,618		7,618	3,000		3,000
Care and custody of Alaska insane, Governor of Alaska	609					71						
Virgin Islands public works	515					14	77		77			
Permanent authorizations:												
Internal revenue collections for Virgin Islands (indefinite special fund)	609	3,379	3,872		3,872	3,379	3,872		3,872	3,872		3,872
Public enterprise funds:												
Alaska Railroad revolving fund	518					4,665	4,600		4,600	2,000		2,000
Loans to private trading enterprises, Trust Territory of the Pacific Islands	609					1	−33		−33	−30		−30
Total, Office of Territories		17,459	15,987	160	11,703	23,691	22,970	158	23,128	16,671	2	16,673

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
VIRGIN ISLANDS CORPORATION												
Public enterprise funds:												
Contributions (current appropriation)	609	$524	$130		$130							
Operating fund	609						$901		$901	$39		$39
Limitation on administrative expenses	609	(160)	(172)		(172)							
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Operating fund:												
Current appropriation	609			$650				$300	300		$1,050	1,050
Authorization to expend from debt receipts	609			850								
Total, Virgin Islands Corporation		524	130	1,500	130		901	300	1,201	39	1,050	1,089
OFFICE OF THE SECRETARY												
Current authorizations:												
Salaries and expenses	409	2,561	2,500	207	2,707	$2,413	2,588	205	2,793	2,705	2	2,707
Intragovernmental funds:												
Working capital fund	409					−14	5		5	−1		−1
Advances and reimbursements	409					−8						
Total, Office of the Secretary		2,561	2,500	207	2,707	2,391	2,593	205	2,798	2,704	2	2,706
Total new obligational authority and budget expenditures		663,551	772,018	31,400	745,163	665,742	781 683	27,320	809,003	751,913	4,930	756,843
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$529,335	$607,826		$592,384							
Appropriations to liquidate contract authorizations		(43,396)	(42,419)		(49,220)							
Reappropriations		434	108			$665,742		$781,683			$751,913	
Permanent authorizations:												
Appropriations		89,363	97,464		106,159							
Contract authorizations		44,419	66,620		46,620							
Proposed for later transmission:												
Pay increase supplemental appropriations			14,105				13,387				718	
Other:												
Appropriations			16,445									
Appropriations to liquidate contract authorizations			(1,000)				13,933				4,212	
Authorizations to expend from debt receipts			850									
Total new obligational authority and budget expenditures		663,551	803,418		745,163	665,742	809,003			756,843		

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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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
BUREAU OF INDIAN AFFAIRS										
Revolving fund for loans	401	$2,918	$2,326	$2,123	$2,287	$1,700	$1,690	$631	$626	$433
Liquidation of Hoonah housing project revolving fund	401		4	4		7	7		−3	−3
BUREAU OF RECLAMATION										
Continuing fund for emergency expenses, Fort Peck project, Montana	401	1,255	3,056	3,772	2,351	4,290	5,414	−1,096	−1,234	−1,642
Upper Colorado River Basin fund	401	37,029	69,269	76,069	4,016	4,269	11,069	33,013	65,000	65,000
BUREAU OF MINES										
Development and operation of helium properties	403	7,799	7,178	11,910	7,345	6,632	9,974	454	546	1,936
FISH AND WILDLIFE SERVICE										
BUREAU OF COMMERCIAL FISHERIES										
Fisheries loan fund	404	3,314	4,220	6,113	520	920	1,475	2,794	3,300	4,638
OFFICE OF TERRITORIES										
Alaska Railroad revolving fund	518	19,432	20,592	17,100	14,767	15,992	15,100	4,665	4,600	2,000
Loans to private trading enterprises, Trust Territory of the Pacific Islands	609	115	100	100	114	133	130	1	−33	−30
VIRGIN ISLANDS CORPORATION										
Operating fund	609	3,027	3,975	3,456	3,027	3,074	3,417		901	39
Proposed for later transmission	609		300	1,050					300	1,050
Total, public enterprise funds		74,889	111,020	121,697	34,427	37,017	48,276	40,462	74,003	73,421

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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:											
Salaries and expenses		$390		$328		$400	$1,355	$965	$390		$400
Construction							300	300			
Office of Oil and Gas: Salaries and expenses		25		55		54	390	356	54		34
Office of the Solicitor: Salaries and expenses		144		300		183	3,091	2,914	177		183
Office of Minerals Mobilization: Salaries and expenses		11		21		21			21		
Office of Minerals Exploration: Salaries and expenses						2,373	1,500	700	2,000		1,173
Acquisition of strategic minerals	$1,838	3,137	$1,012	3,054		790			790		
Total, departmental offices	1,838	3,707	1,012	3,758		3,821	6,636	5,235	3,432		1,790
COMMISSION OF FINE ARTS											
Current authorizations:											
Salaries and expenses		4		4		4	38	35	3		4
BONNEVILLE POWER ADMINISTRATION											
Current authorizations:											
Construction	399	16,284	77	12,784		13,518	25,000	14,128	9,500		14,890
Operation and maintenance		98		295		88	10,250	10,120	80		138
Permanent authorizations:											
Continuing fund for emergency expenses, Bonneville power project, Oregon (indefinite special fund)	326	500	500	500	$500	500				$500	500
Total, Bonneville Power Administration	725	16,882	577	13,579	500	14,106	35,250	24,248	9,580	500	15,528
SOUTHEASTERN POWER ADMINISTRATION											
Current authorizations:											
Operation and maintenance		126		126		72	735	665	72		70
Continuing fund	50	50	50	50	50	50				50	50
Total, Southeastern Power Administration	50	176	50	176	50	122	735	665	72	50	120
SOUTHWESTERN POWER ADMINISTRATION											
Current authorizations:											
Construction	469	815	1,310	1,414		435	880	400	435		480
Operation and maintenance		47		85		101	1,150	999	101		151
Continuing fund	2,997	3,582	300	573	300	1,993	5,000	2,807	1,693	300	2,493
Total, Southwestern Power Administration	3,466	4,444	1,610	2,072	300	2,529	7,030	4,206	2,229	300	3,124
BUREAU OF LAND MANAGEMENT											
Current authorizations:											
Management of lands and resources		2,457		3,144		3,726	24,377	20,020	3,500		4,583
Construction, Bureau of Land Management	2,309	4,448	1,783	5,683		4,867	5,200	1,047	3,953		5,067
Range improvements, Bureau of Land Management (receipt limitation) (indefinite)	203	230	178	297	115	310	776	570	180	115	336
Permanent authorizations:											
Expenses, sale of timber, etc., on reclamation lands (indefinite special fund)							2	2			
Leasing of grazing lands (receipt limitation)		1		1			1	1			
Payments to Oklahoma (royalties) (receipt limitation)							15	15			
Payments to States (proceeds of sales) (receipt limitation)							228	228			
Payments to Coos and Douglas Counties, Oregon, from receipts, Coos Bay Wagon Road grant lands (indefinite special fund)							50	50			
Payments to counties, Oregon and California grant lands (indefinite special fund)							12,000	12,000			
Payments to States (grazing fees) (indefinite special fund)							1	1			
Payments to States from grazing receipts, etc., public lands outside grazing districts (indefinite special fund)		85		93		69	200	131	69		69
Payments to States from grazing receipts, etc., public lands within grazing districts (indefinite special fund)		43		42		42	258	216	42		42

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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 fund)		$1		$1		$1	$5	$4	$1		$1
Payments to States from receipts under Mineral Leasing Act (indefinite special fund)							43,275	43,275			
Payments to Territory of Alaska, income and proceeds, Alaska school lands (indefinite special fund)		22		13		14					14
Payments to Alaska, coal leases (indefinite special fund)							110	110			
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Management of lands and resources						250			250		
Total, Bureau of Land Management	$2,512	7,287	$1,961	9,274	$115	9,279	86,498	77,670	7,995	$115	10,112
BUREAU OF INDIAN AFFAIRS											
Current authorizations:											
Education and welfare services.											
Appropriation		4,808		7,668		7,853	58,958	48,827	8,473		9,511
Permanent contract authorization		396		419		620					620
Resources management		2,924		2,940		2,822	22,425	18,328	2,822		4,097
Construction	909	6,914	1,515	11,367		13,792	17,000	6,678	13,792		10,322
Road construction and maintenance (liquidation of contract authorization):											
Appropriation	5	2,414		3,883			12,000		14,600		
Permanent contract authorization	13,156	14,685	10,248	14,685	29,000	33,685				26,400	31,085
General administrative expenses		218		413		424	3,715	3,294	424		421
Payment to Klamath Tribe of Indians					50	50	100	100	50		
Payment to Menominee Tribe of Indians			300	300	225	300			75	225	225
Liquidation of Klamath and Menominee agencies							250	240			10
Distribution of funds of the Creek Indians	146	148	79	85	9	15			15		
Colorado River Indian reservation benefits, southern and northern reserve (indefinite special fund)				59		16	112	112	16		
Miscellaneous accounts:											
Payment to Pine Ridge Sioux Tribe of Indians	147	147	147	147							
Payment to Indians, States, counties, etc., act June 11, 1940	2	2									
Payment to loyal Creeks and Freedmen		509		408							
Payment to Sioux Indians for property losses, act May 3, 1928		12									
Redemption of restricted Indian property subject to taxation	5	5									
Fulfilling treaties with Columbias and Colvilles	3	3									
Fulfilling treaties with Winnebagoes	3	3									
Payments to Shawnee and affiliated Delaware Indians, Oklahoma, act Dec. 22, 1957	2	2									
Payment to Indians of Klamath Agency, Oregon	3	3									
Payments to Indians of Round Valley Reservation, California, for lands	1	1									
Payment to absentee Shawnees, for lands	2	2									
Permanent authorizations:											
Claims and treaty obligations		16		20			141	141			
Other permanent appropriations (indefinite special funds):											
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936	59	59	63	63			10	10			
Indian arts and crafts fund		2									
Operation and maintenance, Indian irrigation systems	1,899	2,125	1,931	2,171	1,905	2,519	3,000	281	2,519	1,941	2,719
Power systems, Indian irrigation projects	642	1,102	466	847	420	869	1,600	781	869	498	819
Purchase of land for Rocky Boy's Reservation, Montana	11	11	11	11							
Colorado River Indian Reservation fund, northern reserve	38	38									
Colorado River Indian Reservation fund, southern reserve	14	16	9	10							
Public enterprise funds:											
Revolving fund for loans	7,946	7,946	7,315	7,315	6,689	6,689			433	6,256	6,256
Liquidation of Hoonah housing project revolving fund					134	114			−3	141	117
Total, Bureau of Indian Affairs	24,993	44,511	22,084	52,811	38,432	69,768	119,311	78,792	44,085	35,461	66,202

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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	$568	$1,186	$1,137	$1,945	$300	$801	$5,000	$4,222	$778	$23	$801
Construction and rehabilitation	28,124	86,885	7,670	59,096	659	38,842	135,410	98,369	38,631	211	37,252
Operation and maintenance		3,662		3,685		2,082	29,131	26,918	2,082		2,213
General administrative expenses		207		321		254	4,400	4,146	254		254
Loan program					419	15,906	220	200	3,940	419	11,986
Emergency fund	925	944	664	690	300	537			100		437
Permanent authorizations:											
Disposal of Coulee Dam community (indefinite special fund)			11	32			97	97			
Boulder City municipal fund (indefinite special fund)							270	150			120
Colorado River dam fund, Boulder Canyon project:											
Payment of interest on advances from the Treasury (indefinite special fund)							3,200	3,200			
Payments to States of Arizona and Nevada (definite special fund)							600	600			
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen, and Pathfinder irrigation districts) (indefinite special fund)	73	73	64	67	12	41	4		4	16	41
Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming) (indefinite special fund)							8	8			
Refunds and returns (indefinite)	81	81	24	24		22	125	61	22		64
Public enterprise funds:											
Continuing fund for emergency expenses, Fort Peck project, Montana	803	506	541	432	780	500			−1,642	750	[1] 500
Payment to Upper Colorado River Basin fund Upper Colorado River Basin fund	1,868	4,870	1,246	6,996		10,026	77,035	54,974	10,026		[2] 22,058
Intragovernmental funds:											
Advances and reimbursements	1	1									
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Loan program						2,860			2,860		
Total, Bureau of Reclamation	32,443	98,415	11,357	73,288	2,470	71,871	255,500	192,945	57,055	1,419	75,726
GEOLOGICAL SURVEY											
Current authorizations:											
Surveys, investigations, and research	475	2,108	475	5,013	400	2,850	42,518	39,000	1,862	400	4,506
Permanent authorizations:											
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40 (d) (indefinite special fund)	10	10	11	11	12	12	1			12	12
Intragovernmental funds:											
Advances and reimbursements	29	1,268	35	1,001		701			100		601
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Surveys, investigations, and research						38			38		
Total, Geological Survey	514	3,386	521	6,025	412	3,601	42,519	39,000	2,000	412	5,119
BUREAU OF MINES											
Current authorizations:											
Conservation and development of mineral resources		2,060		2,879		3,642	21,277	17,344	3,136		4,439
Health and safety		413		802		757	6,387	5,850	600		694
Construction	1,244	1,652	1,274	1,341	300	6,872			5,372		1,500
General administrative expenses		63		161		158	1,197	1,060	140		155
Drainage of anthracite mines	8,171	8,492	6,819	8,077	4,319	6,077			1,400	319	4,677
Public enterprise funds:											
Development and operation of helium properties	5,559	7,267	4,075	6,313	4,259	5,767			1,936	2,000	3,831
Intragovernmental funds:											
Advances and reimbursements	168	439	174	341	152	341				133	341
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Conservation and development of mineral resources						14			14		
Total, Bureau of Mines	15,142	20,386	12,342	19,914	9,030	23,628	28,861	24,254	12,598	2,452	15,637

[1] Excludes capital transfer in 1960 of $1,642 thousand.

[2] Excludes capital transfer in 1960 of $3 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
NATIONAL PARK SERVICE											
Current authorizations:											
Management and protection		$1,110		$2,101		$3,435	$17,000	$12,800	$3,350		$4,285
Maintenance and rehabilitation of physical facilities		1,281		1,664		1,971	14,000	11,375	1,800		2,796
Construction	$6,590	12,900	$3,119	14,567	$30	14,568	13,600	5,500	12,000	$30	10,668
Construction (liquidation of contract authorization)		14,740		19,297		297	34,000		34,000		297
Permanent contract authorization	35,257	40,053	20,793	41,052	34,000	45,053				34,000	45,053
General administrative expenses		70		121		224	1,475	1,226	224		249
Permanent authorizations:											
Educational expenses, children of employees, Yellowstone National Park (indefinite special fund)	9	9			5	5	43	39		9	9
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park (indefinite special fund)	66	93	52	75	1	30	7	7	29	1	1
Payment of tax losses on land acquired for Grand Teton National Park (indefinite special fund)	28	28	29	29	30	30	30		30	30	30
Purchase of Great Onyx and Crystal Cave properties Mammoth Cave National Park (indefinite special fund)	42	42	80	80	115	115	35			150	150
Intragovernmental funds:											
Advances and reimbursements	11	37	2	15		37			16		21
Total, National Park Service	42,003	70,363	24,075	79,001	34,181	65,765	80,190	30,947	51,449	34,220	63,559
FISH AND WILDLIFE SERVICE											
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE											
Current authorizations:											
Salaries and expenses		29		130		40	343	317	40		25
BUREAU OF SPORT FISHERIES AND WILDLIFE											
Current authorizations:											
Management and investigations of resources		1,236		2,374		1,898	14,894	13,110	1,890		1,792
Construction	2,794	3,272	2,568	6,181		3,910	2,105	300	3,000		2,715
General administrative expenses				17		52	631	589	52		41
Miscellaneous: Upper Mississippi River wildlife refuge	1	11	1	11		1			1		
Permanent authorizations:											
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (indefinite special fund)	11	13	21	39		15	76	61	15		15
Federal aid in fish restoration and management (receipt limitation, general account) (indefinite special fund)	1,584	9,119	1,792	8,361	$1,330	7,856	5,000	1,000	4,500	865	7,356
Federal aid in wildlife restoration (indefinite special fund)	5,716	24,962	6,674	28,558	4,740	30,869	17,500	1,000	13,500	3,167	33,869
Management of national wildlife refuges (indefinite special fund)	243	506	236	790		659	1,400	900	600		559
Migratory bird conservation account (receipt limitation) (indefinite)	4,091	5,074	3,002	5,496	2,095	4,202	6,750	3,400	1,600	2,321	5,952
Payment to Alaska, Alaska Game Law (indefinite special fund)							100	100			
Payments to counties from receipts under Migratory Bird Conservation Act (indefinite special fund)							465	465			
Intragovernmental funds:											
Advances and reimbursements	28	36	20	26		26					26
Total, Bureau of Sport Fisheries and Wildlife	14,468	44,229	14,314	51,853	8,165	49,488	48,921	20,925	25,159	6,353	52,325
BUREAU OF COMMERCIAL FISHERIES											
Current authorizations:											
Management and investigations of resources	18	642		762		966	7,601	6,900	950		717
Construction	904	957	863	1,550		1,050	245	100	1,000		195
General administrative expenses				21		9	325	292	8		34
Administration of Pribilof Islands (receipt limitation) (indefinite)	721	998	1,181	1,607		578	1,940	1,590	578		350
Permanent authorizations:											
Promote and develop fishery products and research pertaining to American fisheries (indefinite)	1,212	4,127	373	3,054	127	2,540	4,800	3,400	1,100	380	2,840
Payment to Alaska from Pribilof Island receipts (indefinite special fund)						882	880		882		880
Public enterprise funds:											
Fisheries loan fund	6,728	8,624	4,688	5,830	395	2,530	3,000	3,000	1,638	407	892

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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											
BUREAU OF COMMERCIAL FISHERIES—Continued											
Intragovernmental funds:											
Advances and reimbursements	$1	$6	$3	$8		$8					$8
Total, Bureau of Commercial Fisheries	9,584	15,354	7,108	12,832	$522	8,563	$18,791	$15,282	$6,156	$787	5,916
Total, Fish and Wildlife Service	24,052	59,612	21,422	64,815	8,687	58,091	68,055	36,524	31,355	7,140	58,266
OFFICE OF TERRITORIES											
Current authorizations:											
Administration of Territories		47		76		40	2,606	2,576	30		40
Trust Territory of the Pacific Islands		6		10		6	5,225	5,220	5		6
Alaska public works	3,174	9,151	1,811	7,621		5,303			3,000		2,303
Care and custody of Alaska insane, Governor of Alaska		71									
Virgin Islands public works	366	371	357	357							
Permanent authorizations:											
Internal revenue collections for Virgin Islands (indefinite special fund)							3,872	3,872			
Public enterprise funds:											
Alaska Railroad revolving fund	10,032	14,050	8,281	9,385	3,569	4,785			2,000	1,869	2,785
Loans to private trading enterprises, Trust Territory of the Pacific Islands	241	241	240	240	233	233			−30	253	[3] 253
Total, Office of Territories	13,813	23,937	10,689	17,689	3,802	10,367	11,703	11,668	5,005	2,122	5,387
VIRGIN ISLANDS CORPORATION											
Public enterprise funds:											
Operating fund	1,609	491	1,297	1,015	835	244	130	130	−91	1,142	335
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Operating fund:											
Current appropriation						550			1,050		50
Authorization to expend from debt receipts						650					100
Total, Virgin Islands Corporation	1,609	491	1,297	1,015	835	1,444	130	130	959	1,142	485
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		122		243		153	2,707	2,560	147		153
Intragovernmental funds:											
Working capital fund	232	139	223	153	227	147			−1	228	148
Advances and reimbursements	3	20	7	29		28					28
Total, Office of the Secretary	235	281	230	425	227	328	2,707	2,560	146	228	329
Total, Department of the Interior	163,395	353,882	109,227	343,846	99,041	334,724	745,163	528,879	227,963	85,561	321,388
RECAPITULATION											
Enacted or recommended in this document:											
Appropriation shown above	$79,723	$252,807	$50,039	$248,591	$18,768	$218,828				$11,982	$206,280
Balances of anticipated pay increase supplementals not identified above						−718					
Subtotal	79,723	252,807	50,039	248,591	18,768	218,110	$745,163	$528,879	$223,034	11,982	206,280
Contract authorizations	48,413	55,134	31,041	56,156	63,000	79,358				60,400	76,758
Revolving and management funds	35,259	45,941	28,147	39,099	17,273	32,176				13,179	[4] 38,200
Proposed for later transmission:											
Appropriations						4,362					150
Balances of anticipated pay increase supplementals not identified above						718			4,930		
Subtotal						5,080					150
Total, Department of the Interior	163,395	353,882	109,227	343,846	99,041	334,724	745,163	528,879	227,963	85,561	321,388

[3] Excludes capital transfer in 1960 of $10 thousand.

[4] Excludes capital transfers in 1960 of $1,655 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$252,807	$248,591	$218,110
Contract authorizations	55,134	56,156	79,358
Revolving and management funds	45,941	39,099	32,176
Proposed for later transmission:			
Pay increase supplemental appropriations			718
Other: Appropriations			4,362
Total balances brought forward	353,882	343,846	334,724
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	529,335	607,826	592,384
Appropriations to liquidate contract authorizations	(43,396)	(42,419)	(49,220)
Reappropriations	434	108	
Total new obligational authority under current authorizations	529,769	607,934	592,384
Permanent authorizations:			
Appropriations	89,363	97,464	106,159
Contract authorizations	44,419	66,620	46,620
Total new obligational authority under permanent authorizations	133,782	164,084	152,779
Total new obligational authority enacted or recommended	663,551	772,018	745,163
Proposed for later transmission:			
Pay increase supplemental appropriations		14,105	
Other:			
Appropriations		16,445	
Appropriations to liquidate contract authorizations		(1,000)	
Authorizations to expend from debt receipts		850	
Total new obligational authority proposed for later transmission		31,400	
Total new obligational authority	663,551	803,418	745,163
Other amounts available:			
Net transfers of balances from other agencies		111	
Appropriations available in prior year		−1,973	
Appropriations available from subsequent year	1,973		
Total other amounts available	1,973	−1,862	
Total budget authorization available	1,019,406	1,145,402	1,079,887
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	665,742	781,683	528,879
Out of balances of prior obligational authority			223,034
Total expenditures from obligational authority enacted or recommended	665,742	781,683	751,913
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		13,387	718
Other:			
Out of new obligational authority		13,933	
Out of balances of prior obligational authority			4,212
Total expenditures from obligational authority proposed for later transmission		27,320	4,930
Total budget expenditures	665,742	809,003	756,843
Amounts no longer available:			
Unobligated balances expiring and lapsing	7,180	466	
Capital transfers from revolving funds to receipt accounts	1,673	1,209	1,655
Adjustment of balances downward in expired accounts, net	965		
Total amounts no longer available	9,818	1,675	1,655
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	248,591	218,110	206,280
Contract authorizations	56,156	79,358	76,758
Revolving and management funds	39,099	32,176	38,200
Proposed for later transmission:			
Pay increase supplemental appropriations		718	
Other: Appropriations		4,362	150
Total balances carried forward at close of year	343,846	334,724	321,388
Obligations incurred, net	$710,839	$810,067	$756,988

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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, [$825,000] *$1,355,000. (72 Stat. 1708. Department of the Interior and Related Agencies Appropriation Act, 1959).*

Appropriated 1959, [a] **$1,170,000** Estimate 1960, **$1,355,000**

[a] Includes $345,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration and coordination:			
(a) Research and development	$128,072	$179,400	$220,000
(b) Demonstration plants		42,746	
2. Research and development:			
(a) Contracts and grants (non-Federal)	542,917	945,000	985,000
(b) Federal laboratories	53,997	60,000	150,000
(c) Contracts for engineering designs and demonstration plant site analysis		20,000	
Total obligations	724,986	1,247,146	1,355,000
Financing:			
Unobligated balance no longer available	14		
New obligational authority	725,000	1,247,146	1,355,000
New obligational authority:			
Appropriation	$725,000	$1,170,000	$1,355,000
Proposed supplemental due to pay increases		14,400	
Reappropriation		62,746	

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. Construction of demonstration plants for this purpose is authorized by the act of September 2, 1958, which also authorized use of this appropriation to initiate the program. Obligations for demonstration plants after 1959 appear under the heading Construction.

1. *Administration and coordination.*—This activity covers departmental administration of federally sponsored research, coordination of 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	17	27	22
Full-time equivalent of all other positions	1	1	1
Average number of all employees	12	22	20
Number of employees at end of year	17	27	22
Average GS grade and salary	10.1 $7,666	10.2 $8,487	10.8 $9,099
01 Personal services:			
Permanent positions	$90,822	$177,000	$175,500
Positions other than permanent	2,718	3,000	4,000
Other personal services	1,840	1,500	3,000
Total personal services	95,380	181,500	182,500
02 Travel	7,820	11,000	12,000
03 Transportation of things	5,448	1,500	
04 Communication services	3,341	2,400	3,000
06 Printing and reproduction	7,059	2,500	3,000
07 Other contractual services	542,410	941,000	965,000
Services performed by other agencies	54,842	60,000	150,000
08 Supplies and materials	915	1,000	1,000
09 Equipment	2,033	8,746	2,500
11 Grants, subsidies, and contributions	5,653	37,500	36,000
15 Taxes and assessments	85		
Total obligations	724,986	1,247,146	1,355,000

CONSTRUCTION

For construction of demonstration plants for the production of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, as authorized by the Act of September 2, 1958 (72 Stat. 1706), $300,000, to remain available until September 3, 1965.

Estimate 1960, **$300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Engineering and design			$150,000
2. Administration			150,000
Total obligations			300,000
Financing:			
Appropriation (new obligational authority)			300,000

This program provides for the construction of demonstration plants for the conversion of saline water to water suitable for agricultural, industrial, municipal, and other uses. The estimate for 1960 provides for initial planning, site selection, and administration costs.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions			10
Full-time equivalent of all other positions			1
Average number of all employees			8
Number of employees at end of year			10
Average GS grade and salary			8.9 $7,296
01 Personal services:			
Permanent positions			$54,000
Positions other than permanent			10,000
Other personal services			1,900
Total personal services			65,900
02 Travel			20,000
03 Transportation of things			10,000
04 Communication services			5,000
06 Printing and reproduction			1,800
07 Other contractual services			185,800
08 Supplies and materials			3,000
09 Equipment			5,000
11 Grants, subsidies, and contributions			3,500
Total obligations			300,000

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); $525,000], *$390,000. (Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, [a] **$543,500** Estimate 1960, [b] **$390,000**

[a] Includes $18,500 appropriated in Supplemental Appropriation Act, 1959.

[b] Excludes $217,600 for activities transferred in the estimates to "Surveys, investigations, and research," Geological Survey. The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Coordination of oil and gas activities (total obligations)	$345,721	$371,200	$390,000
Financing:			
Comparative transfers to other accounts	194,933	217,600	
Unobligated balance no longer available	21,896		
New obligational authority	562,550	588,800	390,000

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DEPARTMENTAL OFFICES—Continued

OFFICE OF OIL AND GAS—Continued

SALARIES AND EXPENSES—continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$585,000	$543,500	$390,000
Transferred to—			
"Salaries and expenses," Office of the Solicitor (72 Stat. 243)	−11,000		
"Trust Territory of the Pacific Islands" (72 Stat. 54)	−11,450		
Appropriation (adjusted)	562,550	543,500	390,000
Proposed supplemental due to pay increases		45,300	

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.

Functions relating to the control of interstate shipments of contraband oil, formerly financed under this appropriation, have been transferred to Geological Survey.

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	39		36		41	
	Full-time equivalent of all other positions	1		1		1	
	Average number of all employees	32		34		38	
	Number of employees at end of year	28		34		39	
	Average GS grade and salary	10.3	$8,056	10.2	$8,794	10.1	$8,664
01	Personal services:						
	Permanent positions	$258,787		$286,500		$320,100	
	Positions other than permanent	2,675		5,000		5,000	
	Other personal services	1,015		1,700		2,900	
	Total personal services	262,477		293,200		328,000	
02	Travel	13,359		11,500		11,500	
03	Transportation of things	87		100		100	
04	Communication services	5,430		4,000		4,000	
06	Printing and reproduction	5,910		2,700		2,700	
07	Other contractual services	3,236		4,000		4,000	
	Services performed by other agencies	34,846		33,500		15,000	
08	Supplies and materials	2,529		2,700		2,700	
09	Equipment	1,669		500		500	
11	Grants, subsidies, and contributions	15,877		18,600		21,100	
13	Refunds, awards, and indemnities	200		300		300	
15	Taxes and assessments	101		100		100	
	Total obligations	345,721		371,200		390,000	

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, [$2,800,000] *$3,091,000*, 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. (*5 U. S. C. 483a; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$2,800,000** Estimate 1960, **$3,091,000**
Appropriated (adjusted) 1959, **$2,837,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Legal services (total obligations)	$3,044,247	$3,191,000	$3,191,000
Financing:			
Advances and reimbursements from other accounts	−79,870	−100,000	−100,000
Unobligated balance no longer available	34,298		
New obligational authority	2,998,675	3,091,000	3,091,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$2,900,000	$2,800,000	$3,091,000
Transferred from "Salaries and expenses," Office of Minerals Exploration (72 Stat. 874)		37,000	
Transferred (72 Stat. 243) from—			
"Salaries and expenses," Office of Oil and Gas	11,000		
"Salaries and expenses," Office of Minerals Mobilization"	8,900		
"Administration of Territories," Office of Territories	35,000		
"Operation and maintenance," Bureau of Reclamation	36,400		
Transferred to "Trust Territory of the Pacific Islands" (72 Stat. 54)	−11,125		
Appropriation (adjusted)	2,980,175	2,837,000	3,091,000
Reappropriation	18,500		
Proposed supplemental due to pay increases		254,000	

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 Trust Territory of the Pacific Islands) are under the supervision of the Solicitor.

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions	402		390		390	
	Average number of all employees	361		358		355	
	Number of employees at end of year	368		364		360	
	Average GS grade and salary	9.0	$6,642	9.0	$7,490	9.0	$7,621
	Personal service obligations:						
	Permanent positions	$2,517,807		$2,694,000		$2,681,889	
	Positions other than permanent	1,406		1,000		1,000	
	Other personal services	29,940		32,900		45,011	
	Total personal service obligations	2,549,153		2,727,900		2,727,900	
	Direct obligations:						
01	Personal services	2,485,266		2,644,600		2,644,600	
02	Travel	88,988		85,000		85,000	
03	Transportation of things	4,117		4,000		4,000	
04	Communication services	46,927		45,000		45,000	
05	Rents and utility services	16,742		6,000		6,000	
06	Printing and reproduction	46,032		20,000		20,000	
07	Other contractual services	4,695		5,000		5,000	
	Services performed by other agencies	62,377		60,000		60,000	
08	Supplies and materials	12,315		12,000		12,000	
09	Equipment	42,772		35,000		34,600	
11	Grants, subsidies, and contributions	149,589		171,000		171,400	
13	Refunds, awards, and indemnities	3,530		3,000		3,000	
15	Taxes and assessments	1,027		400		400	
	Total direct obligations	2,964,377		3,091,000		3,091,000	
	Reimbursable obligations:						
01	Personal services	63,887		83,300		83,300	
02	Travel	2,535		2,500		2,500	
04	Communication services	616		600		600	
05	Rents and utility services	154		200		200	
06	Printing and reproduction	5,600		6,000		6,000	
07	Other contractual services	2,308		2,400		2,400	
08	Supplies and materials	154		200		200	
09	Equipment	769		800		800	
11	Grants, subsidies, and contributions	3,847		4,000		4,000	
	Total reimbursable obligations	79,870		100,000		100,000	
	Total obligations	3,044,247		3,191,000		3,191,000	

OFFICE OF MINERALS EXPLORATION

SALARIES AND EXPENSES

For expenses necessary to provide a program for the discovery of the minerals reserves of the United States, its Territories and possessions, by encouraging exploration for minerals, including administration of contracts entered into prior to June 30, 1958, under section 303 of the Defense Production Act of 1950, as amended[; hire of passenger motor vehicles; 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 attendance at meetings concerned with the purposes of this appropriation, $4,000,000, of which $37,000 shall be transferred to the appropriation "Salaries and expenses", Office of the Solicitor, fiscal year 1959: *Provided*, That this paragraph shall be effective only

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upon enactment into law of S. 3817, Eighty-fifth Congress, or similar legislation], *$1,500,000, to remain available until expended. (72 Stat. 700; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$4,000,000** Estimate 1960, **$1,500,000**
Appropriated (adjusted) 1959, **$3,963,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Financial assistance for exploration projects		$3,100,000	$940,000
2. Administrative and technical services		863,000	560,000
Total obligations		3,963,000	1,500,000
Financing:			
New obligational authority		3,963,000	1,500,000
New obligational authority:			
Appropriation		$4,000,000	$1,500,000
Transferred to "Salaries and expenses," Office of the Solicitor (72 Stat. 874)		−37,000	
Appropriation (adjusted)		3,963,000	1,500,000

This program provides for the discovery of the minerals reserves of the United States, its Territories and possessions, by encouraging exploration for minerals by private individuals.

1. *Financial assistance for exploration projects.*—This is the Government's share of the cost of accepted projects for the exploration of strategic and critical minerals. The Government contributes 50% of the cost as does the operator. If the exploration is successful, the advance is subject to repayment with interest.

2. *Administrative and technical services.*—This activity finances the Office of Minerals Exploration and the technical and clerical staffs of the Bureau of Mines and the Geological Survey assigned to it.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		49	30
Average number of all employees		34	23
Number of employees at end of year		34	23
Average GS grade and salary		9.7 $8,575	9.3 $8,180
01 Personal services:			
Permanent positions		$284,150	$184,600
Other personal services		850	1,400
Total personal services		285,000	186,000
02 Travel		2,500	2,800
04 Communication services		2,500	1,500
06 Printing and reproduction		3,000	1,100
07 Other contractual services		5,500	4,400
Services performed by—			
Bureau of Mines		298,000	190,000
Geological Survey		248,000	160,000
08 Supplies and materials		500	1,300
09 Equipment			900
11 Grants, subsidies, and contributions		18,000	12,000
16 Investments and loans		3,100,000	940,000
Total obligations		3,963,000	1,500,000

[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, $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, 1959.)*

Appropriated 1959, **$262,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Coordination of activities (total obligations)	$249,659	$283,300	
Financing:			
Unobligated balance no longer available	4,441		
New obligational authority	254,100	283,300	
New obligational authority:			
Appropriation	$263,000	$262,000	
Transferred to "Salaries and expenses," Office of the Solicitor (72 Stat. 243)	8,900		
Appropriation (adjusted)	254,100	262,000	
Proposed supplemental due to pay increases		21,300	

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 Civil and Defense Mobilization. The 1960 program will be financed by funds appropriated to that agency.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	25	25	
Full-time equivalent of all other positions	1	1	
Average number of all employees	22	24	
Number of employees at end of year	23	24	
Average GS grade and salary	10.8 $8,725	10.8 $9,626	
01 Personal services:			
Permanent positions	$190,586	$219,600	
Positions other than permanent	11,663	5,000	
Other personal services	1,124	1,300	
Total personal services	203,373	225,900	
02 Travel	14,976	18,000	
03 Transportation of things		400	
04 Communication services	2,743	4,000	
06 Printing and reproduction	2,487	2,700	
07 Other contractual services	445	2,000	
Services performed by other agencies	11,469	12,000	
08 Supplies and materials	2,276	1,500	
09 Equipment	1,709	3,000	
11 Grants, subsidies, and contributions	9,531	13,300	
15 Taxes and assessments	650	500	
Total obligations	249,659	283,300	

[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), exclusive of section 2a, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), $3,200,000, to remain available until December 31, 1958.] *(Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$3,200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of stockpile materials	$5,938,049	$3,997,400	
2. Inventory management: Storage	137,946	164,288	
3. Operating expense:			
(a) Services direction	44,845	33,600	
(b) Administrative operations	23,924	16,400	
Total obligations	6,144,764	4,211,688	

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DEPARTMENTAL OFFICES—Continued

[ACQUISITION OF STRATEGIC MINERALS]—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$1,837,530	−$1,011,688	
Unobligated balance carried forward	1,011,688		
Unobligated balance no longer available	1,381,078		
Appropriation (new obligational authority)	6,700,000	3,200,000	

Limited amounts of tungsten, asbestos, fluorspar, and columbium-tantalum were acquired by the General Services Administration with funds transferred from this appropriation. In addition, administrative expenses, handling, storage, and other charges were borne here pending transfer of the materials to the strategic or supplemental stockpile.

The program terminated December 31, 1958.

Object Classification

		1958 actual		1959 estimate		1960 estimate
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION					
	Total number of permanent positions		11		7	
	Average number of all employees		6		4	
	Number of employees at end of year		5		0	
	Average GS grade and salary	7.4	$5,620	7.0	$6,115	
01	Personal services:					
	Permanent positions		$36,728		$22,100	
	Other personal services		81			
	Total personal services		36,809		22,100	
02	Travel		2,646		1,900	
03	Transportation of things		293,042		191,200	
04	Communication services		592		1,100	
05	Rents and utility services		120		1,400	
06	Printing and reproduction		44		100	
07	Other contractual services		118,331		71,188	
	Payment to "Administrative operations fund," General Services Administration		23,924		16,400	
	Services performed by other agencies		21,770		73,000	
08	Supplies and materials		5,645,007		3,806,600	
09	Equipment		123		200	
10	Lands and structures				25,000	
11	Grants, subsidies, and contributions		2,042		1,400	
13	Refunds, awards, and indemnities		240			
15	Taxes and assessments		74		100	
	Total obligations		6,144,764		4,211,688	

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] *$37,800*. (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$35,000** Estimate 1960, **$37,800**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total obligations)	$35,620	$37,800	$37,800
Financing:			
Unobligated balance no longer available	5		
New obligational authority	35,625	37,800	37,800
New obligational authority:			
Appropriation	$35,625	$35,000	$37,800
Proposed supplemental due to pay increases		2,800	

The Commission advises the President, Congress, and department heads on matters of architecture, sculpture, painting, and other fine arts.

Object Classification

		1958 actual		1959 estimate		1960 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 grade and salary	9.5	$6,321	9.5	$7,067	9.5 $7,240
01	Personal services:					
	Permanent positions		$25,685		$28,200	$28,700
	Positions other than permanent				600	
	Other personal services		98		100	200
	Total personal services		25,783		28,900	28,900
02	Travel		2,661		2,600	2,600
04	Communication services		862		800	800
06	Printing and reproduction		583		500	500
07	Other contractual services		2,284		2,200	2,200
08	Supplies and materials		631		600	600
09	Equipment		1,199		400	400
11	Grants, subsidies, and contributions		1,617		1,800	1,800
	Total obligations		35,620		37,800	37,800

BONNEVILLE POWER ADMINISTRATION

Current authorizations:

CONSTRUCTION

For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, [$20,934,000] *$25,000,000*, to remain available until expended. (*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, 1959.*)

Appropriated 1959, **$20,934,000** Estimate 1960, **$25,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Construction in progress	$14,530,246	$16,860,330	$15,950,000
2. New construction	7,264,299	3,749,621	8,365,000
3. General plant	565,802	401,000	685,000
Total direct obligations	22,360,347	21,010,951	25,000,000
Reimbursable obligations: Services performed for—			
(a) Operation and maintenance	860,606	860,800	883,400
(b) Other Federal agencies	337,961	334,000	332,000
(c) Non-Federal sources	218,614	210,600	105,000
Total reimbursable obligations	1,417,181	1,405,400	1,320,400
Total obligations	23,777,528	22,416,351	26,320,400
Financing:			
Unobligated balance brought forward	−399,298	−76,951	
Advances and reimbursements from—			
Other agencies	−1,198,567	−1,194,800	−1,215,400
Non-Federal sources (16 U. S. C. 832 (a), (h))	−218,614	−210,600	−105,000
Unobligated balance carried forward	76,951		
Appropriation (new obligational authority)	22,038,000	20,934,000	25,000,000

1. *Construction in progress.*—The Administration is responsible for the marketing of electric power produced at

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17 Federal hydroelectric generating plants in service or under construction and wheels power from certain non-Federal plants in the Pacific Northwest. Amounts are included to carry on to completion transmission facilities started in prior years.

2. *New construction.*—The 1960 construction program provides for additional transmission and substation capacity to carry to load centers the power production of generating installations scheduled to be in operation by January 1962. New facilities programed are associated with new generating capacity being put into service at Federal plants shown on the following schedule:

	First generation (fiscal year)	*Installed capacity (kilowatts, nameplate rating)*
Projects in operation	--------	5,070,250
Projects under construction:		
The Dalles	1958	1,119,000
Hills Creek	1962	30,000
Cougar	1962	25,000
Ice Harbor	1962	270,000
Total	--------	6,514,250

In addition, other new facilities are included which will enable the Administration to meet its contractual arrangements to wheel power from the non-Federal Priest Rapids and Rocky Reach dams.

The amounts of peak generating capacity on the Federal system at the beginning and end of the 1960 construction period follows:

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	July 1, 1959	*Jan. 1, 1962*
Federal projects	6,599,800	7,511,800
Power wheeled for non-Federal projects	388,300	1,522,300
Total	6,988,100	9,034,100

3. *General plant.*—Provision is made for acquisition of items such as tools, office equipment, transportation, and portable communication equipment used in the construction and operation of the Federal power system.

Program costs to this appropriation are presented in the following table:

PROGRAM BY ACTIVITIES

	Costs to this appropriation					*Analysis of 1960 financing*				
	Total estimate	*To June 30, 1957*	*1958 actual*	*1959 estimate*	*1960 estimate*	*Deduct selected resources, start of year*	*Add selected resources, end of year*	*Appropriation required for 1960*	*Appropriation required to complete*	*Percent cost complete through 1960*
Direct program:										
1. Construction in progress	$46,574,722	$8,418,837	$24,681,301	$7,220,000	$1,234,000	$5,089,584	$4,855,584	$1,000,000	$165,000	89
2. (a) New construction 1958	36,120,207	----------	3,107,713	11,403,000	12,198,000	5,800,494	3,981,494	10,379,000	5,430,000	74
(b) New construction 1959	11,166,802	----------	----------	1,734,000	6,308,000	3,173,802	1,436,892	4,571,000	1,688,000	72
(c) New construction 1960	17,455,000	----------	----------	----------	3,288,000	175,000	5,252,000	8,365,000	8,915,000	19
3. General plant	1,652,026	----------	414,026	443,000	685,000	110,000	110,000	685,000	----------	--------
Total direct program costs	112,968,757	8,418,837	28,203,040	20,800,000	23,713,000	14,348,880	15,635,880	25,000,000	16,198,000	--------
4. Relation of costs to obligations:										
Costs financed from obligations of other years, net (−)			−5,842,693	----------	----------					
Obligations incurred for costs of other years, net			----------	210,951	1,287,000					
Total direct program (obligations)			22,360,347	21,010,951	25,000,000					
Reimbursable program:										
Services performed for—										
(a) Operation and maintenance			860,606	860,800	883,400					
(b) Other Federal agencies			337,961	334,000	332,000					
(c) Non-Federal sources (16 U. S. C. 832 (a), (h))			218,614	210,600	105,000					
Total reimbursable program (costs—obligations)			1,417,181	1,405,400	1,320,400					
Total program (obligations)			23,777,528	22,416,351	26,320,400					

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects):				
Warehouse stock	$5,979,792	$6,201,193	$6,270,000	$6,000,000
Project storage yards	2,722,397	----------	----------	----------
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered)	10,882,776	7,865,569	8,058,000	9,615,000
Deferred items (net charges not assigned to specific projects)	395,657	71,167	20,880	20,880
Total selected resources at end of year	19,980,622	14,137,929	14,348,880	15,635,880
Selected resources at start of year (−)		−19,980,622	−14,137,929	−14,348,880
Costs financed from obligations of other years, net (−)		−5,842,693	----------	----------
Obligations incurred for costs of other years, net		----------	210,951	1,287,000

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		1,235		1,188		1,154
Full-time equivalent of all other positions		75		32		36
Average number of all employees		1,265		1,197		1,149
Number of employees at end of year		1,308		1,267		1,235
Average GS grade and salary	8.0	$6,002	8.1	$6,681	8.1	$6,664
Average salary of ungraded positions		$6,050		$6,326		$6,329

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
01	Personal services:			
	Permanent positions	$7,366,010	$7,594,800	$7,255,400
	Positions other than permanent	450,319	206,400	236,600
	Other personal services	156,325	94,800	94,700
	Excess of annual leave earned over leave taken	122,425	----------	----------
	Total personal services	8,095,079	7,896,000	7,586,700
02	Travel	820,931	750,700	715,700
03	Transportation of things	91,347	137,800	134,900
04	Communication services	100,459	117,800	114,900
05	Rents and utility services	75,242	91,200	125,900
06	Printing and reproduction	3,482	7,900	7,900
07	Other contractual services	777,927	496,000	512,600
08	Supplies and materials	4,357,856	6,082,451	7,383,200
09	Equipment	3,957,479	2,811,500	4,191,100
10	Lands and structures	5,008,705	3,504,200	5,043,100
11	Grants, subsidies, and contributions	468,276	497,900	475,500
13	Refunds, awards, and indemnities	20,745	22,700	28,900
	Total obligations	23,777,528	22,416,351	26,320,400

Operation and Maintenance

For necessary expenses of operation and maintenance of the Bonneville transmission system and of marketing electric power and energy, [$9,170,000] *$10,250,000. (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, 1959.)*

Appropriated 1959, **$9,170,000** Estimate 1960, **$10,250,000**

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BONNEVILLE POWER ADMINISTRATION—Con.

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. System operation and maintenance	$7,682,703	$8,297,000	$9,021,000
2. Power contracts and rates	305,887	319,000	313,000
3. General administration	791,213	872,000	916,000
Total program costs	8,779,803	9,488,000	10,250,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−45,170	
Obligations incurred for costs of other years, net	30,116		
Total program (obligations)	8,809,919	9,442,830	10,250,000
Financing:			
1959 appropriation available in 1958	−45,170	45,170	
Unobligated balance no longer available	48,251		
New obligational authority	8,813,000	9,488,000	10,250,000
New obligational authority:			
Appropriation	$8,813,000	$9,170,000	$10,250,000
Proposed supplemental due to pay increase		318,000	

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.

	1958 actual	*1959 estimate*	*1960 estimate*
Transmission lines, structure miles	6,848	7,208	7,460
Number of substations	183	186	195
Transformer capacity, kilovolt-amperes	10,776,000	12,700,000	13,770,000
Energy sales (millions of kilowatt hours)	28,365	29,300	30,900
Points of delivery	345	349	355

2. *Power contracts and rates.*—This activity consists of the negotiation of power sales and wheeling contracts, billing and servicing contracts, including the development of service plans, and establishment of wholesale rate schedules. Receipts which are deposited in the Treasury amounted to $67,269,170 in 1958, and are estimated at $68,700,000 and $75,300,000 for 1959 and 1960.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered)	$97,830	$114,694	$69,524	$69,524
Selected resources at start of year (−)		−97,830	−114,694	−69,524
Adjustment of selected resources reported at start of year		13,252		
Costs financed from obligations of other years, net (−)			−45,170	
Obligations incurred for costs of other years, net		30,116		

A supplemental appropriation of $100,000 is anticipated for 1959 and is shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	952	1,030	1,091
Full-time equivalent of all other positions	25	17	12
Average number of all employees	944	1,006	1,072
Number of employees at end of year	975	1,089	1,147
Average GS grade and salary	8.0 $6,002	8.1 $6,681	8.1 $6,664
Average salary of ungraded positions	$6,050	$6,326	$6,329
01 Personal services:			
Permanent positions	$5,688,011	$6,451,400	$6,903,500
Positions other than permanent	151,638	115,100	77,000
Other personal services	122,883	171,000	197,000
Excess of annual leave earned over leave taken	155,814	36,300	40,900
Total personal services	6,118,346	6,773,800	7,218,400
02 Travel	205,970	228,500	253,600
03 Transportation of things	28,431	36,400	37,100
04 Communication services	192,796	208,200	230,800
05 Rents and utility services	90,313	119,400	158,500
06 Printing and reproduction	2,548	2,800	3,200
07 Other contractual services	355,138	329,000	480,200
Services performed by other agencies	860,606	860,800	883,400
08 Supplies and materials	531,109	489,400	514,100
11 Grants, subsidies, and contributions	364,965	421,600	452,100
13 Refunds, awards, and indemnities	14,527	18,100	18,600
1959 program obligated in 1958	45,170	−45,170	
Total obligations	8,809,919	9,442,830	10,250,000

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; 62 Stat. 382; 43 U. S. C. 389, 485h; Public Works Appropriation Act, 1959.*)

Permanent authorizations:

CONTINUING FUND FOR EMERGENCY EXPENSES

(Indefinite special fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Emergency expenses (total program costs)	$59,700		
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−59,700		
Total program (obligations)			
Financing:			
Unobligated balance brought forward	−325,830	−$500,000	−$500,000
Recovery of prior year obligations	−10,337		
Unobligated balance carried forward	500,000	500,000	500,000
Appropriation (new obligational authority)	163,833		

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1. *Emergency expenses.*—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).

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered)	$70,037	----------	----------	----------
Selected resources at start of year (−)	----------	−$70,037	----------	----------
Adjustment of selected resources reported at start of year	----------	10,337	----------	----------
Costs financed from obligations of other years, net (−)	----------	−59,700	----------	----------

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Consolidated administrative services	$366,402	$382,500	$382,500
2. Miscellaneous services to other accounts	349,921	273,500	287,500
Total obligations	716,323	656,000	670,000
Financing:			
Advances and reimbursements from—			
Other accounts	671,980	606,000	613,000
Non-Federal sources (40 U. S. C. 481 (c))	44,343	50,000	57,000
Total financing	716,323	656,000	670,000

Object Classification

Total number of permanent positions		59		57		58
Average number of all employees		54		57		58
Number of employees at end of year		57		61		61
Average GS grade and salary	8.0	$6,002	8.1	$6,681	8.1	$6,664
Average salary of ungraded positions		$6,050		$6,326		$6,329
01 Personal services:						
Permanent positions		$331,226		$369,000		$370,000
Positions other than permanent		2,511		3,000		3,000
Other personal services		2,777		4,000		4,000
Total personal services		336,514		376,000		377,000
02 Travel		12,647		15,000		16,600
03 Transportation of things		520		500		500
04 Communication services		34,995		36,000		35,000
05 Rents and utility services		16,273		13,500		13,500
06 Printing and reproduction		1,200		2,300		2,400
07 Other contractual services		5,998		5,600		5,600
Services performed by other agencies		73,326		59,000		57,000
08 Supplies and materials		118,125		74,500		81,600
09 Equipment		51,117		50,000		57,000
10 Lands and structures		46,737		----------		----------
11 Grants, subsidies, and contributions		18,689		23,600		23,800
13 Refunds, awards, and indemnities		182		----------		----------
Total obligations		716,323		656,000		670,000

Proposed for later transmission:

OPERATION AND MAINTENANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
System operation and maintenance (total costs—obligations)	----------	$100,000	----------
Financing:			
Proposed supplemental appropriation	----------	100,000	----------

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $100,000 is anticipated to finance increased wage rates for hourly craft type employees made effective June 22, 1958.

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, $735,000. (*Public Works Appropriation Act, 1959.*)

Appropriated 1959, **$735,000** Estimate 1960, **$735,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. System operation and maintenance	$71,055	$78,500	$80,000
2. Purchase of energy and wheeling charges	1,748,523	2,684,000	2,698,000
3. Power contracts and rates	99,516	94,500	96,000
4. General administration	81,322	84,000	84,000
Total operating costs	2,000,416	2,941,000	2,958,000
Capital outlay	2,592	15,000	1,000
Total program costs	2,003,008	2,956,000	2,959,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	----------	−11,000	----------
Obligations incurred for costs of other years, net	4,597	----------	----------
Total program (obligations)	2,007,605	2,945,000	2,959,000
Financing:			
Advances and reimbursements from non-Federal sources	----------	−2,210,000	−2,224,000
Unobligated balance no longer available	13,395	----------	----------
New obligational authority	2,021,000	735,000	735,000
New obligational authority:			
Appropriation	$1,939,000	$735,000	$735,000
Transferred from "Education and welfare services," Bureau of Indian Affairs (71 Stat. 58)	359,000	----------	----------
Transferred (72 Stat. 243) to—			
"General administrative expenses," Bureau of Mines	−38,069	----------	----------
"Maintenance and rehabilitation of physical facilities," National Park Service	−73,786	----------	----------
"General administrative expenses," National Park Service	−60,650	----------	----------
"Salaries and expenses," Office of the Commissioner of Fish and Wildlife	−28,461	----------	----------
"Management and investigations of resources," Bureau of Commercial Fisheries	−76,034	----------	----------
Appropriation (adjusted)	2,021,000	735,000	735,000

NOTE.—Reimbursements from non-Federal sources result from sale of power and are applied against charges for purchase of energy and wheeling by customers of the Administration.

Power generated at 14 Corps of Engineers, Army, hydroelectric generating plants in a 10-State area of the Southeast is marketed by the Administration through transmission facilities owned by others. A schedule of generation through 1964 of projects in operation or under construction follows:

	1st generation (fiscal year)	*Installed capacity (kilowatts—nameplate rating)*
Projects in operation	----	1,283,600
Projects under construction:		
Hartwell	1962	330,000
Walter F. George	1963	130,000
Barkley	1964	130,000
Total		1,873,600

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SOUTHEASTERN POWER ADMINISTRATION—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

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 operating generating plants individually and in coordination with others 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 $17,023,865 in 1958 and are estimated at $17,940,000 and $17,300,000 for 1959 and 1960.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$1,954	$10,735	$2,000	$2,000
Accrued annual leave (leave earned and not taken by employees, charged to activity costs) (—)	−24,600	−28,967	−31,232	−31,232
Total selected resources at end of year	−22,646	−18,232	−29,232	−29,232
Selected resources at start of year		22,646	18,232	29,232
Adjustment of selected resources reported at start of year		183		
Costs financed from obligations of other years, net (—)			−11,000	
Obligations incurred for costs of other years, net		4,597		

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		39		35		35
Average number of all employees		38		34		34
Number of employees at end of year		36		35		35
Average GS grade and salary		7.2	$5,683	8.1	$6,760	8.1 $6,831
01	Personal services:					
	Permanent positions		$211,774		$224,500	$225,000
	Positions other than permanent		1,622		500	
	Other personal services		1,202		1,000	1,000
	Total personal services		214,598		226,000	226,000
02	Travel		4,642		6,000	5,000
03	Transportation of things		52			
04	Communication services		6,046		6,000	6,000
06	Printing and reproduction		532		500	500
07	Other contractual services		1,752,464		2,688,000	2,702,500
08	Supplies and materials		3,533		3,500	3,500
09	Equipment		12,335		2,000	1,000
11	Grants, subsidies, and contributions		13,332		13,000	14,500
13	Refunds, awards, and indemnities		35			
15	Taxes and assessments		36			
	Total obligations		2,007,605		2,945,000	2,959,000

Permanent authorizations:

CONTINUING FUND

(Indefinite special fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$50,000	−$50,000	−$50,000
Unobligated balance carried forward	50,000	50,000	50,000
Appropriation (new obligational authority)			

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).

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, $880,000, to remain available until expended.

Estimate 1960, **$880,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction in progress	$439,127	$304,681	
2. New construction and additions	200,888	1,005,000	$880,000
Total obligations	640,015	1,309,681	880,000
Financing:			
Unobligated balance brought forward	−469,696	−1,309,681	
Unobligated balance carried forward	1,309,681		
Appropriation (new obligational authority)	1,480,000		880,000

The Administration is responsible for the marketing of power produced at 13 Corps of Engineers, Army, hydroelectric generating plants in the Southwest. A schedule of generation through 1965 of plants in operation and under construction in this area follows:

	First generation (fiscal year)	*Installed capacity (kilowatts—nameplate rating)*
Projects in operation	----	591,000
Projects under construction:		
Table Rock	1959	200,000
Greers Ferry	1964	96,000
Eufaula	1964	90,000
McGee Bend	1965	45,000
Dardanelle	1965	120,000
Total	----	1,142,000

1. *Construction in progress.*—Construction of facilities started in former years will be completed during the current year.

2. *New construction and additions.*—Provision is made for the installation of additional transformer capacity at two substations and for supplies and equipment utilized in

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the operation and maintenance of an expanding transmission system.

Program costs to this appropriation are presented in the following table:

PROGRAM BY ACTIVITIES

	Cost to this appropriation					Analysis of 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1960	Percent cost complete through 1960
1. Construction in progress	$3,611,241	$2,735,920	$735,321	$131,000	$9,000	$9,000	--------	--------	100
2. New construction and additions:									
1958	1,360,540	----------	145,441	789,099	426,000	426,000	--------	--------	100
1959	58,929	----------	--------	58,929	--------	--------	--------	--------	100
1960	880,000	----------	--------	--------	400,000	--------	$480,000	$880,000	45
Total program costs	5,910,710	2,735,920	880,762	979,028	835,000	435,000	480,000	880,000	--------
3. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (-)	--------	----------	-240,747	--------	--------				
Obligations incurred for costs of other years (unpaid undelivered orders), net	--------	----------	--------	330,653	45,000				
Total program (obligations)	--------	----------	640,015	1,309,681	880,000				

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $345,094; 1958, $104,347; 1959, $435,000; and 1960, $480,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	9	15	14
Full-time equivalent of all other positions	4	2	2
Average number of all employees	12	13	9
Number of employees at end of year	9	15	11
Average GS grade and salary	8.0 $5,998	7.9 $6,414	7.9 $6,426
Average salary of ungraded positions	$4,799	$5,023	$5,002
01 Personal services:			
Permanent positions	$53,344	$72,000	$64,000
Positions other than permanent	10,330	7,000	6,000
Other personal services	2,001	2,000	1,000
Total personal services	65,675	81,000	71,000
02 Travel	8,987	9,000	9,000
03 Transportation of things	245	5,000	2,000
04 Communication services	112	200	200
06 Printing and reproduction	104	1,000	500
07 Other contractual services	4,759	15,000	--------
08 Supplies and materials	34,091	25,981	20,000
09 Equipment	246,964	505,000	774,800
10 Land and structures	276,752	665,000	--------
11 Grants, subsidies, and contributions	2,326	2,500	2,500
Total obligations	640,015	1,309,681	880,000

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, [$975,000] *$1,150,000.* (*Public Works Appropriation Act, 1959.*)

Appropriated 1959, **$975,000** Estimate 1960, **$1,150,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. System operation and maintenance	$1,241,334	$1,313,850	$1,432,000
2. Power contracts and rates	78,291	93,000	109,000
3. General administration	312,000	330,750	331,000
Total program costs	1,631,625	1,737,600	1,872,000
Unfunded adjustment to total operating costs: Depreciation included above (-)	-675,477	-707,600	-722,000
Total program costs, funded	956,148	1,030,000	1,150,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	65,174	----------	----------
Total program (obligations)	1,021,322	1,030,000	1,150,000
Financing:			
Unobligated balance no longer available	1,409	----------	----------
New obligational authority	1,022,731	1,030,000	1,150,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$1,000,000	$975,000	$1,150,000
Transferred from "Operation and maintenance," Bureau of Reclamation (72 Stat. 243)	22,731	----------	----------
Appropriation (adjusted)	1,022,731	975,000	1,150,000
Proposed supplemental due to pay increases	----------	55,000	----------

Power developed at Corps of Engineers dams in four southwestern States is marketed by the Administration through transmission facilities owned by others and through its own system. The Administration also contracts for the sale, purchase, and interchange of power with other systems.

Receipts which are deposited in the Treasury amounted to $7,967,308 in 1958, and are estimated at $7,810,000 and $9,292,000 for 1959 and 1960. The increase in receipts for 1959 and 1960 results mainly from additional power sales, load growth, and the sale of unscheduled capacity under company contract rates.

1. *System operation and maintenance.*—The Administration operates and maintains a transmission system as follows:

	1958 actual	1959 estimate	1960 estimate
Transmission lines, miles	1,032	1,074	1,170
Number of substations	14	14	14
Substation capacity, kilovolt-amperes	322,050	322,050	322,050

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.

	1957 actual	1958 actual	1959 estimate	1960 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$47,291	$85,237	$65,000	$80,000
Accrued annual leave (leave earned but not taken by employees, charged to activity costs)	-111,235	-84,007	-63,770	-78,770
Total selected resources at end of year	-63,944	1,230	1,230	1,230
Selected resources at start of year	63,944	-1,230	-1,230	-1,230
Obligations incurred for costs of other years, net	65,174	--------	--------	

A supplemental appropriation of $7,500 is anticipated for 1959 and is shown under Proposed for later transmission.

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SOUTHWESTERN POWER ADMINISTRATION—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	117	131	141
Full-time equivalent of all other positions	8		10
Average number of all employees	123	119	130
Number of all employees at end of year	126	127	141
Average GS grade and salary	8.0 $5,998	7.9 $6,414	7.9 $6,426
Average salary of ungraded positions	$4,799	$5,023	$5,002
01 Personal services:			
Permanent positions	$675,354	$708,500	$788,000
Positions other than permanent	22,228	2,000	20,000
Other personal services	36,806	39,000	41,000
Total personal services	734,388	749,500	849,000
02 Travel	102,348	103,000	113,000
03 Transportation of things	1,387	2,000	2,000
04 Communication services	22,015	22,000	23,000
05 Rents and utility services	16,377	17,000	17,000
06 Printing and reproduction	4,507	5,000	5,000
07 Other contractual services	36,155	30,000	30,000
08 Supplies and materials	59,335	51,500	55,000
09 Equipment	4,657	5,500	7,000
11 Grants, subsidies, and contributions	36,778	41,000	45,000
13 Refunds, awards, and indemnities	1,442	1,500	1,500
15 Taxes and assessments	1,932	2,000	2,500
Total obligations	1,021,322	1,030,000	1,150,000

CONTINUING FUND

(Indefinite special fund)

Not to exceed [$4,405,000] *$5,000,000* 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. (*Public Works Appropriation Act, 1959.*)

Appropriated 1959, **$4,405,000** Estimate 1960, **$5,000,000**

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance at beginning of year	$4,703,687	$11,702,912	$9,078,000
Receipts	7,967,308	7,810,000	9,292,000
Unobligated balance returned to unappropriated receipts	2,697,404		
Total available for appropriation	15,368,399	19,512,912	18,370,000
Appropriation (—)	−3,665,487	−4,420,000	−5,000,000
Covered into miscellaneous receipts		−6,014,912	6,000,000
Unappropriated balance at end of year	11,702,912	9,078,000	7,370,000

Program and Financing

Program by activities:			
1. Purchase of energy and wheeling charges	$6,906,805	$9,554,284	$9,991,000
2. Rentals for use of transmission facilities	2,010,452	1,468,016	1,480,000
3. Emergency expenses	13,869	15,000	
Total program (costs—obligations)	8,931,126	11,037,300	11,471,000
Financing:			
Unobligated balance brought forward	−2,997,404	−300,000	−300,000
Advances and reimbursements from non-Federal sources	−5,265,639	−6,617,300	−6,471,000
Unobligated balance carried forward	300,000	300,000	300,000
Unobligated balance no longer available (administrative rescission)	2,697,404		
New obligational authority	3,665,487	4,420,000	5,000,000
New obligational authority:			
Appropriation:			
Definite	$3,665,487	$4,405,000	$5,000,000
Indefinite		15,000	

NOTE.—Reimbursements from non-Federal sources result from sale of power and are applied against charges for purchase of energy, wheeling, and rentals by customers of the Administration.

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 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).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Full-time equivalent of all other positions		3	
Average number of all employees		3	
Number of employees at end of year		0	
01 Personal services:			
Permanent positions		$1,800	
Positions other than permanent		7,650	
Other personal services		750	
Total personal services		10,200	
02 Travel		600	
07 Other contractual services	$8,931,126	11,022,600	$11,471,000
08 Supplies and materials		3,900	
Total obligations	8,931,126	11,037,300	11,471,000

Proposed for later transmission:

OPERATION AND MAINTENANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
System operation and maintenance (total costs—obligations)		$7,500	
Financing:			
Proposed supplemental appropriation		7,500	

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $7,500 is anticipated to finance increased wage rates for hourly craft type employees.

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management administers 475 million acres of public lands in 11 Western 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.

The work of the Bureau produces revenue from various sources which is distributed as follows:

[In millions]

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Total receipts	$112	$127	$153	$165
Payments to States and counties (—)	−38	−46	−50	−56
Deposited in the Treasury	74	81	103	109

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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 $250,000 for the operation and maintenance of access roads on or adjacent to the revested Oregon and California Railroad grant lands, [$22,190,000] *$24,377,000*: *Provided*, That this appropriation may be expended on a reimbursable basis for (*1*) surveys of lands other than those under the jurisdiction of the Bureau of Land Management *and* (*2*) *protection and leasing of lands and mineral resources for the State of Alaska: 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, 1959.*)

Appropriated 1959, [a] **$23,075,000** Estimate 1960, **$24,377,000**

[a] Includes $885,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Lease and disposal of lands and mineral resources	$5,720,462	$6,713,100	$7,205,200
2. Management of grazing lands	2,445,907	2,581,800	2,542,300
3. Forestry	5,355,113	5,411,600	5,268,700
4. Cadastral surveys	1,944,250	2,504,700	2,800,800
5. Soil and moisture conservation	3,625,060	3,821,100	3,733,900
6. Fire suppression	2,199,726	400,000	400,000
7 Maintenance of physical facilities	47,544	50,000	50,000
8. Maintenance of access roads	35,000	254,000	254,000
9. Weed control	554,058	1,079,600	591,000
10. General administration	1,416,912	1,496,100	1,531,100
11. 1959 program obligated in 1958	77,353	−77,353	
Total obligations	23,421,385	24,234,647	24,377,000
Financing:			
Comparative transfers from (−) other accounts	−100,000		
1959 appropriation available in 1958	−77,353	77,353	
Unobligated balance no longer available	80,768		
New obligational authority	23,324,800	24,312,000	24,377,000
New obligational authority:			
Appropriation	$22,624,800	$23,075,000	$24,377,000
Transferred from "Education and welfare services," Bureau of Indian Affairs (72 Stat. 54)	700,000		
Appropriation (adjusted)	23,324,800	23,075,000	24,377,000
Proposed supplemental due to pay increases		1,237,000	

1. *Lease and disposal of lands and mineral resources.*—Applications for all types of land use and for lease of mineral resources, principally oil and gas, are acted upon. Field investigations are made to determine the best use of resources. Land records are being modernized. An increase for 1960 is provided to meet increased workload.

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Cases pending, start of year	78,094	74,151	98,649	113,600
New and reactivated cases	132,885	164,699	185,000	200,000
Cases closed	136,828	152,824	170,049	188,000
Cases pending, end of year	74,151	98,649	113,600	125,600

2. *Management of grazing lands.*—The 187 million acres of Federal range used by 30,000 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.*—Forty-six million acres of commercial forest lands, of which 40 million acres are in Alaska, and 115 million acres of woodland type lands, are managed. The 1960 program will permit selling 1,067 million board-feet of timber having a stumpage value of $26.75 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. The increase will provide for increased surveying activities in Alaska as a result of statehood.

5. *Soil and moisture conservation.*—The 1960 program will benefit 1,940,000 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 jurisdiction of the Bureau of Land Management. Costs of fire suppression during the spring and summer of 1958 have exceeded $2,200,000. A supplemental appropriation for 1959 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.

8. *Maintenance of access roads.*—Provision is made for maintenance of 558 miles 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. The 1960 program provides for the treatment of 44,000 acres of public lands.

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

	1958 actual	1959 estimate	1960 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	2,178	2,313	2,433
Full-time equivalent of all other positions	542	472	500
Average number of all employees	2,715	2,785	2,920
Number of employees at end of year	2,730	3,030	3,375
Average GS grade and salary	7.4 $5,273	7.4 $5,855	7.3 $5,787
Average salary of ungraded positions	$5,049	$5,250	$5,170
01 Personal services:			
Permanent positions	$10,977,839	$12,178,383	$12,550,246
Positions other than permanent	1,299,437	1,355,228	1,463,700
Other personal services	1,143,364	572,712	748,454
Total personal services	13,420,640	14,106,323	14,762,400
02 Travel	1,551,178	1,569,000	1,670,000
03 Transportation of things	194,038	206,500	278,800
04 Communication services	271,579	259,900	261,600
05 Rents and utility services	157,685	198,000	245,300
06 Printing and reproduction	140,952	140,000	146,800
07 Other contractual services	3,617,296	3,617,500	2,813,000
Services performed by other agencies	47,182	49,500	50,000
08 Supplies and materials	1,826,026	1,796,562	1,811,300
09 Equipment	971,058	1,100,000	1,031,900
10 Lands and structures	363,227	236,565	233,100
11 Grants, subsidies, and contributions	696,039	803,000	833,400
13 Refunds, awards, and indemnities	25,159		
15 Taxes and assessments	36,915	43,200	54,400
1959 program obligated in 1958	77,353	−77,353	
Subtotal	23,396,327	24,048,697	24,192,000
Deduct quarters and subsistence charges	9,492	4,050	5,000
Total, Bureau of Land Management	23,386,835	24,044,647	24,187,000

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BUREAU OF LAND MANAGEMENT—Continued

Current authorizations—Continued

MANAGEMENT OF LANDS AND RESOURCES—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	2	5	5
Full-time equivalent of all other positions		1	1
Average number of all employees	2	6	6
Number of employees at end of year	1	5	5
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$9,160	$24,000	$25,000
Positions other than permanent	921	5,000	5,000
Other personal services	132	1,500	3,000
Total personal services	10,213	30,500	33,000
02 Travel	73	1,000	1,500
03 Transportation of things	343	500	500
04 Communication services	9	100	100
05 Rents and utility services	1,303	2,000	2,000
07 Other contractual services	11,491	13,000	14,000
08 Supplies and materials	8,724	15,000	15,000
10 Lands and structures	1,739	125,900	121,900
11 Grants, subsidies, and contributions	655	2,000	2,000
Total, Bureau of Public Roads	34,550	190,000	190,000
Total obligations	23,421,385	24,234,647	24,377,000

CONSTRUCTION

For construction of access roads on or adjacent to the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands *and on lands in the vicinity of Powderhorn Creek, Strawberry Creek, and Waugh Mountain, Colorado; Lemhi River, Idaho; Gallagher Creek, Your Name Creek, and Cottonwood Creek, Montana; Malpois Management Unit, New Mexico; John Day River, Rudio Mountain, Bonanza Unit, and Pine Creek, Oregon; and Shirley Mountain, Wyoming*; acquisition of rights-of-way and of existing connecting roads *on or* adjacent to [such] *the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant* lands; acquisition of rights-of-way on [the revested Oregon and California Railroad grant lands, and on Coos Bay Wagon Road grant lands and] lands in the vicinity of [the Fraser River and Indian Creek, Colorado, and lands in the vicinity of Rattlesnake Mountain and Shirley Mountain, Wyoming, and lands in the vicinity of the Lemhi River, Idaho;] *McElwain Creek, Gallagher Creek, Your Name Creek, Garnet Range, Cottonwood Creek, and Union Creek, Montana; Malpois Management Unit, New Mexico; Elk Creek, Signal Tree, Kilches River, and Holmes Creek, Oregon; and* acquisition and construction of buildings and appurtenant facilities; [and construction and maintenance of recreational facilities in Alaska;] *$5,200,000*, to remain available until expended[, $4,685,000]: *Provided*, That the amount appropriated herein for road construction *on the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands* 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). *(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, 1959.)*

Appropriated 1959, **$4,685,000** Estimate 1960, **$5,200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Access roads	$5,750,967	$5,897,761	$5,100,000
2. Buildings	160,949	459,251	100,000
3. Recreational facilities	94,445	111,190	
Total obligations	6,006,361	6,468,202	5,200,000
Financing:			
Unobligated balance brought forward	−$2,309,563	−$1,783,202	
Unobligated balance carried forward	1,783,202		
Appropriation (new obligational authority)	5,480,000	4,685,000	$5,200,000

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. Similar roads in the Coos Bay Wagon Road grant lands, also in western Oregon, will be constructed. Rights-of-way will be acquired and access roads constructed on public domain lands.

2. *Buildings.*—Provision is made for construction of buildings to house supplies, equipment, and personnel at isolated locations, principally in connection with fire control measures in Alaska.

3. *Recreational facilities.*—Public Law 84-507, approved May 4, 1956, authorized a 5-year program for the construction of recreational facilities along the highways of Alaska. The estimate for 1960 is included in the proposed Transitional grants to Alaska.

Object Classification

	1958 actual	1959 estimate	1960 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	40	43	46
Full-time equivalent of all other positions	21	16	12
Average number of all employees	61	58	60
Number of employees at end of year	83	80	84
Average GS grade and salary	8.0 $5,262	7.8 $5,775	7.7 $5,795
Average salary of ungraded positions	$3,577	$3,576	$3,576
01 Personal services:			
Permanent positions	$240,063	$245,051	$258,865
Positions other than permanent	69,523	57,135	52,475
Other personal services	10,497	7,780	8,810
Total personal services	320,083	309,966	320,150
02 Travel	40,628	53,600	46,000
03 Transportation of things	8,683	6,200	3,200
04 Communication services	5,297	6,700	6,200
05 Rents and utility services	339	7,900	7,700
06 Printing and reproduction	2,745	2,900	2,700
07 Other contractual services	64,403	171,600	45,800
08 Supplies and materials	69,838	88,283	35,900
09 Equipment	40,355	16,900	3,500
10 Lands and structures	418,336	1,156,829	387,000
11 Grants, subsidies, and contributions	12,698	15,700	20,200
15 Taxes and assessments	2,200	2,000	1,650
Subtotal	985,605	1,838,578	880,000
Deduct quarters and subsistence charges	100		
Total, Bureau of Land Management	985,505	1,838,578	880,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	79	63	63
Full-time equivalent of all other positions	18	42	44
Average number of all employees	87	103	105
Number of employees at end of year	95	112	115
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$338,035	$315,000	$319,000
Positions other than permanent	67,683	167,000	176,000
Other personal services	15,946	21,000	24,000
Total personal services	421,664	503,000	519,000
02 Travel	87,225	100,000	100,000
03 Transportation of things	1,735	3,000	3,000
04 Communication services	811	1,000	1,200
05 Rents and utility services	59,129	70,000	70,000
06 Printing and reproduction	2,857	2,000	2,000
07 Other contractual services	230,237	250,000	250,000

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE—continued			
08 Supplies and materials	$22,342	$50,000	$50,000
09 Equipment	522		
10 Lands and structures	4,169,835	3,626,624	3,300,700
11 Grants, subsidies, and contributions	25,436	20,500	20,600
15 Taxes and assessments		3,500	3,500
Subtotal	5,021,793	4,629,624	4,320,000
Deduct quarters and subsistence charges	937		
Total, Bureau of Public Roads	5,020,856	4,629,624	4,320,000
Total obligations	6,006,361	6,468,202	5,200,000

Administrative Provisions

Appropriations for the Bureau of Land Management shall be available for purchase of [twenty-eight] *twenty-three* 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 $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, 1959.*)

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, *and the amount designated for range improvements from grazing fees from Bankhead-Jones lands transferred to the Department of the Interior by Executive Order 10787, dated November 6, 1958;* to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated (est.) 1959, **$686,713** Estimate 1960, **$776,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Improvements to—			
1. Public lands	$589,617	$749,500	$726,000
2. Farm Tenant Act lands			50,000
Total obligations	589,617	749,500	776,000
Financing:			
Unobligated balance brought forward	−202,603	−177,832	−115,045
Unobligated balance carried forward	177,832	115,045	115,045
Appropriation (new obligational authority)	564,846	686,713	776,000

This appropriation is derived from receipts from grazing of livestock on public lands and on Bankhead-Jones Farm Tenant Act lands transferred from the Department of Agriculture. On public lands the fee from grazing includes a range improvement fee (usually 25%) which is available for range improvements when appropriated (43 U. S. C. 315i). It is proposed to follow a similar practice with respect to fees from Farm Tenant Act lands transferred under Executive Order 10787.

Object Classification

	1958 actual	1959 estimate	1960 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	23	23	23
Full-time equivalent of all other positions	21	21	22
Average number of all employees	43	43	45
Number of employees at end of year	63	63	63
Average GS grade and salary	5.9 $4,548	6.0 $5,179	6.0 $5,215
Average salary of ungraded positions	$4,737	$4,737	$4,737
01 Personal services:			
Permanent positions	$110,071	$119,600	$120,250
Positions other than permanent	68,662	76,670	78,550
Other personal services	593	630	1,200
Total personal services	179,326	196,900	200,000
02 Travel	14,882	20,200	22,000
03 Transportation of things	11,474	13,500	14,000
04 Communication services	2,128	3,300	4,400
05 Rents and utility services	1,644	2,300	3,300
06 Printing and reproduction	287	300	500
07 Other contractual services	100,911	212,500	220,000
08 Supplies and materials	188,405	206,015	211,700
09 Equipment	28,658	37,500	40,000
10 Lands and structures	43,485	47,000	50,000
11 Grants, subsidies, and contributions	4,578	7,700	7,800
13 Refunds, awards, and indemnities	65		
15 Taxes and assessments	1,381	2,285	2,300
Total, Bureau of Land Management	577,224	749,500	776,000
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE			
Average number of all employees	3		
Number of employees at end of year	3		
01 Personal services: Positions other than permanent	$11,615		
07 Other contractual services	39		
11 Grants, subsidies, and contributions	739		
Total, Bureau of Sport Fisheries and Wildlife	12,393		
Total obligations	589,617	$749,500	$776,000

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.

Proposed for later transmission:

Management of Lands and Resources

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Fire suppression (total obligations)		$2,500,000	
Financing:			
Proposed supplemental appropriation		2,500,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $2,500,000 is anticipated for fighting fires.

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BUREAU OF LAND MANAGEMENT—Continued

Permanent authorizations:

BUREAU OF LAND MANAGEMENT PERMANENT APPROPRIATIONS

Appropriated (est.) 1959, **$50,064,670** Estimate 1960, **$56,144,400**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Expenses, sale of timber, etc., on reclamation lands	$1,258	$2,000	$2,000
2. Leasing of grazing lands	652	1,135	1,000
3. Payments to Oklahoma (royalties)	9,433	15,137	15,000
4. Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands	23,682	70,000	50,000
5. Payments to counties, Oregon and California grant lands	10,105,664	10,975,514	12,000,000
6. Payments to States (grazing fees)	583	804	800
7. Payments to States (proceeds of sales)	198,082	174,754	228,000
8. Payments to States from grazing receipts, etc., public lands outside grazing districts	186,583	175,981	200,000
9. Payments to States from grazing receipts, etc., public lands within grazing districts	174,639	221,290	257,600
10. Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous	3,272	3,190	5,000
11. Payments to States from receipts under Mineral Leasing Act	32,168,619	38,300,000	43,275,000
12. Payments to Territory of Alaska, income and proceeds, Alaska school lands	13,541	15,000	
13. Payments to Alaska, coal leases	43,068	110,000	110,000
Total obligations	42,929,076	50,064,805	56,144,400
Financing:			
Unobligated balance brought forward	−79	−135	
Unobligated balance carried forward	135		
New obligational authority	42,929,132	50,064,670	56,144,400
New obligational authority:			
"Expenses, sale of timber, etc., on reclamation lands" (indefinite special fund)	$1,258	$2,000	$2,000
"Leasing of grazing lands" (receipt limitation)	708	1,000	1,000
"Payments to Oklahoma (royalties)" (receipt limitation)	9,433	15,137	15,000
"Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands" (indefinite special fund)	23,682	70,000	50,000
"Payments to counties, Oregon and California grant lands" (indefinite special fund)	10,105,664	10,975,514	12,000,000
"Payments to States (grazing fees)" (indefinite special fund)	583	804	800
"Payments to States (proceeds of sales)" (receipt limitation)	198,082	174,754	228,000
"Payments to States from grazing receipts, etc., public lands outside grazing districts" (indefinite special fund)	186,583	175,981	200,000
"Payments to States from grazing receipts, etc., public lands within grazing districts" (indefinite special fund)	174,639	221,290	257,600
"Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous" (indefinite special fund)	3,272	3,190	5,000
"Payments to States from receipts under Mineral Leasing Act" (indefinite special fund)	32,168,619	38,300,000	43,275,000
"Payments to Territory of Alaska, income and proceeds, Alaska school lands" (indefinite special fund)	13,541	15,000	
"Payments to Alaska, coal leases" (indefinite special fund)	43,068	110,000	110,000
Appropriation	42,929,132	50,064,670	56,144,400

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 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.*—Alaska is paid 90% and other States 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 was 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). This account will be discontinued in 1960 as the new State will assume administration of the lands.

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

		1958 actual	1959 estimate	1960 estimate
05	Rents and utility services	$652	$1,000	$1,000
07	Other contractual services	1,258	2,000	2,000
11	Grants, subsidies, and contributions	42,927,166	50,061,805	56,141,400
	Total obligations	42,929,076	50,064,805	56,144,400

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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Replacement of personal property sold	$34,872	$49,600	$50,000
2. Miscellaneous services	528,934	615,400	618,000
Total obligations	563,806	665,000	668,000
Financing:			
Advances and reimbursements from—			
Other accounts	411,897	497,300	498,000
Non-Federal sources (64 Stat. 418; 40 U. S. C. 481 (c); 72 Stat. 156)	151,909	167,700	170,000
Total financing	563,806	665,000	668,000

Object Classification

Average number of all employees	59	65	65
Number of employees at end of year	0	0	0
01 Personal services: Positions other than permanent	$257,041	$311,775	$312,000
02 Travel	69,623	94,200	95,000
03 Transportation of things	1,400	2,500	2,700
04 Communication services	569	700	900
06 Printing and reproduction	38,051	37,300	38,000
07 Other contractual services	98,224	102,125	102,000
08 Supplies and materials	58,892	67,950	69,200
09 Equipment	12,216	27,100	27,000
10 Lands and structures	13,030		
11 Grants, subsidies, and contributions	13,165	19,250	19,000
15 Taxes and assessments	1,595	2,100	2,200
Total obligations	563,806	665,000	668,000

BUREAU OF INDIAN AFFAIRS

The responsibility of the United States toward the Indian people 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 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; [$58,139,000] *$58,958,000. (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, 1959.)*

Appropriated 1959, **$58,139,000** Estimate 1960, **$58,958,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Educational assistance, facilities and services	$47,163,382	$52,558,197	$49,007,000
2. Welfare and guidance services	4,532,328	4,837,000	5,415,000
3. Relocation services	3,068,851	3,696,000	3,696,000
4. Maintaining law and order	966,730	989,000	1,215,000
Total program costs	55,731,291	62,080,197	59,333,000
Unfunded adjustment to total program costs: Property or services transferred in (−) without charge, net	−738,470	−400,000	−375,000
Total program costs, funded	54,992,821	61,680,197	58,958,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,710,411	
Obligations incurred for costs of other years, net	2,676,594		
Total program (obligations)	57,669,415	59,969,786	58,958,000
Financing:			
1959 appropriation available in 1958	−570,270	570,270	
Unobligated balance no longer available	257,866		
New obligational authority	57,357,011	60,540,056	58,958,000
New obligational authority:			
Appropriation	$59,460,000	$58,139,000	$58,958,000
Transferred (71 Stat. 236) to—			
"Management of lands and resources," Bureau of Land Management	−700,000		
"Operation and maintenance," Southeastern Power Administration	−359,000		
"Trust Territory of the Pacific Islands," Office of Territories	−591,000		
Transferred (72 Stat. 243) to—			
"Resources management"	−349,384		
"General administrative expenses"	−126,563		
Appropriation (adjusted)	57,334,053	58,139,000	58,958,000
Proposed supplemental due to pay increases		2,200,000	
Applied to contract authorization	−395,986	−418,944	−620,000
Contract authorization (new) (permanent)	418,944	620,000	620,000

1. *Educational assistance, facilities, and services.*—Financial assistance is extended to public schools enrolling Indian children. 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. The figures shown for public schools in 1959 and 1960 include children for whom grants are also made under Federal impact legislation administered by the Department of Health, Education, and Welfare. Assistance is also given to adult Indians through an education and training program.

NUMBER OF PUPILS

	1958 actual	*1959 estimate*	*1960 estimate*
Boarding schools	25,558	26,155	26,335
Dormitories	2,925	3,300	3,300
Day schools	15,632	16,010	16,820
Public schools	39,185	39,600	41,470
Other institutions	624	645	645
Total	83,924	85,710	88,570

2. *Welfare and guidance services.*—Welfare services including direct relief and foster home care are provided for needy adults and children.

CASELOADS

	1958 actual	*1959 estimate*	*1960 estimate*
Aid to individuals:			
General assistance	8,324	9,000	9,000
Child welfare	2,136	2,221	2,452
Total	10,460	11,221	11,452

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

EDUCATION AND WELFARE SERVICES—Continued

3. *Relocation services.*—The relocation program (1) assists Indians from reservations to settle and secure permanent employment in non-Indian communities away from the reservation and (2) assists in a program of industrial development on or near reservations to provide local job opportunities. 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

	1958 actual	*1959 estimate*	*1960 estimate*
Persons relocated	5,728	6,750	6,750

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 adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$637,763	$617,632	$617,632	$617,632
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	2,470,640	4,743,040	3,032,629	3,032,629
Advances (payments for goods and services on order not yet received)	16,559	12,612	12,612	12,612
Work in process (goods and services to be costed to activities when completed)	20,646	555	555	555
Total selected resources at end of year	3,145,608	5,373,839	3,663,428	3,663,428
Selected resources at start of year (−)		−3,145,608	−5,373,839	−3,663,428
Adjustment of selected resources reported at start of year		448,363		
Costs financed from obligations of other years, net (−)			−1,710,411	
Obligations incurred for costs of other years, net		2,676,594		

Object Classification

		1958 actual		1959 estimate		1960 estimate
	Total number of permanent positions	5,969		5,972		6,433
	Full-time equivalent of all other positions	205		225		225
	Average number of all employees	5,745		5,794		6,222
	Number of employees at end of year	5,949		6,000		6,500
	Average GS grade and salary	6.3	$4,788	6.5	$5,367	6.3	$5,335
	Average salary of ungraded positions		$4,121		$4,144		$4,136
01	Personal services: Permanent positions		$25,416,801		$26,938,043		$28,838,276
	Positions other than permanent		809,574		838,756		838,756
	Other personal services		727,893		855,701		895,701
	Total personal services		26,954,268		28,632,500		30,572,733
02	Travel		1,274,719		1,200,000		1,212,650
03	Transportation of things		829,899		830,000		839,700
04	Communication services		320,130		321,000		341,000
05	Rents and utility services		893,348		898,932		916,961
06	Printing and reproduction		9,534		9,700		9,700
07	Other contractual services		2,144,808		2,136,753		2,256,753
	Services performed by other agencies		591,880		600,000		600,000
08	Supplies and materials		9,842,385		9,628,847		9,631,981
09	Equipment		2,443,872		1,600,000		1,472,000
11	Grants, subsidies, and contributions		12,719,572		15,594,841		12,017,039
13	Refunds, awards, and indemnities		30,194		31,700		31,700
15	Taxes and assessments		45,017		46,953		46,953
	1959 program obligated in 1958		570,270		−570,270		
	Subtotal		58,669,896		60,960,956		59,949,170
	Deduct quarters and subsistence charges		1,000,481		991,170		991,170
	Total obligations		**57,669,415**		**59,969,786**		**58,958,000**

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; [$18,100,000] *$22,425,000,* and in addition, [$524,000] *$754,000* of the Revolving Fund for Loans, Bureau of Indian Affairs, shall be used in connection with administering loans to Indians: *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, 1959.)*

Appropriated 1959, **$18,100,000** Estimate 1960, **$22,425,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Forest and range lands	$3,007,508	$3,066,000	$3,066,000
2. Fire suppression	209,388	140,000	140,000
3. Agricultural and industrial assistance	1,632,180	1,804,689	2,004,689
4. Soil and moisture conservation	4,627,194	4,954,000	4,954,000
5. Maintenance of roads			3,000,000
6. Development of Indian arts and crafts	116,247	119,000	119,000
7. Management of Indian trust property	3,479,068	3,261,311	3,461,311
8. Repair and maintenance of buildings and utilities	3,918,177	4,781,000	4,781,000
9. Operation, repair, and maintenance of Indian irrigation systems	861,858	899,000	899,000
10. Weed control	153,106		
Total program costs	18,005,226	19,025,000	22,425,000
Unfunded adjustment to total program costs: Property or services transferred in (−) without charge, net	−306,340		
Total program costs, funded	17,698,886	19,025,000	22,425,000
11. Relation of costs to obligations: Costs financed from obligations of other years, net (−)		−252,490	
Obligations incurred for costs of other years, net	2,280		
Total program (obligations)	17,701,166	18,772,510	22,425,000
Financing:			
1959 appropriation available in 1958	−252,490	252,490	
Unobligated balance no longer available	100,708		
New obligational authority	17,549,384	19,025,000	22,425,000
New obligational authority:			
Appropriation	$17,200,000	$18,100,000	$22,425,000
Transferred from "Education and welfare services" (72 Stat. 243)	349,384		
Appropriation (adjusted)	17,549,384	18,100,000	22,425,000
Proposed supplemental due to pay increases		925,000	

This program promotes the economic advancement of the Indians 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.

	1958 actual	*1959 estimate*	*1960 estimate*
Timber cut:			
Million board-feet	426	500	575
Dollar value	$8,275,900	$9,500,000	$11,500,000
Number of cattle units grazed	785,000	785,000	785,000

2. *Fire suppression.*—Funds under this item provide for the payment of the cost of suppression and prevention of

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fires on or threatening Indian reservations. Approximately 60 million 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 erosion and promote more effective utilization of soil and water resources. Approximately 24 million acres, or 42.5% of Indian-owned lands, are severely or critically eroded. The job of soil and moisture conservation is approximately 27% completed, an increase of 4% over 1957.

5. *Maintenance of roads.*—The Bureau of Indian Affairs road system which requires maintenance includes 17,360 miles of roads on Indian reservations.

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 or disposal of fractionated land holdings, especially in those areas affected by readjustment legislation, is to be accomplished.

	1958 actual	*1959 estimate*	*1960 estimate*
Cases pending, start of year	22,820	20,530	17,530
New and reactivated cases	65,102	65,000	70,000
Cases closed	67,392	68,000	78,000
Cases pending, end of year	20,530	17,530	9,530

8. *Repair and maintenance of buildings and utilities.*—Federal buildings and their related utility and communication systems are maintained.

	1958 actual	*1959 estimate*	*1960 estimate*
Square foot buildings maintained	19,658,000	20,750,000	21,550,000
Average amount available per square foot for maintaining buildings	$0.133	$0.15	$0.144

9. *Operation, repair, and maintenance of Indian irrigation systems.*—Approximately 300 irrigation systems serving about 864,000 acres of Indian and mixed-ownership lands are operated and maintained. About 81% of the cost is financed from collections from water users, leaving 19% to be met from funds appropriated under this activity.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$40,503	$35,384	$35,384	$35,384
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,621,516	1,521,704	1,269,214	1,269,214
Advances (payments for goods and services on order not yet received)	$13,893	$8,240	$8,240	$8,240
Work in process (goods and services to be costed to activities when completed)	3,110			
Total selected resources at end of year	1,679,022	1,565,328	1,312,838	1,312,838
Selected resources at start of year (−)		−1,679,022	−1,565,328	−1,312,838
Adjustment of selected resources reported at start of year		115,974		
Costs financed from obligations of other years, net (−)			−252,490	
Obligations incurred for costs of other years, net		2,280		

Object Classification

		1958 actual	1959 estimate	1960 estimate
	BUREAU OF INDIAN AFFAIRS			
	Total number of permanent positions	1,980	2,104	2,507
	Full-time equivalent of all other positions	176	175	283
	Average number of all employees	2,018	2,166	2,617
	Number of employees at end of year	2,430	2,502	3,144
	Average GS grade and salary	6.3 $4,788	6.5 $5,367	6.3 $5,335
	Average salary of ungraded positions	$4,121	$4,144	$4,136
01	Personal services:			
	Permanent positions	$9,575,981	$10,822,963	$12,429,338
	Positions other than permanent	810,917	813,602	1,302,302
	Other personal services	120,255	120,150	137,550
	Total personal services	10,507,153	11,756,715	13,869,190
02	Travel	553,292	558,687	603,687
03	Transportation of things	141,246	158,394	178,394
04	Communication services	151,853	159,349	190,349
05	Rents and utility services	201,113	208,300	271,597
06	Printing and reproduction	18,158	18,899	18,899
07	Other contractual services	1,347,081	1,345,140	1,395,140
	Services performed by other agencies	333,157	331,146	331,146
08	Supplies and materials	2,037,624	2,630,032	3,320,357
09	Equipment	976,904	598,955	719,955
10	Lands and structures	182,441	181,221	181,221
11	Grants, subsidies, and contributions	1,115,644	1,221,607	1,496,807
12	Pensions, annuities, and insurance claims	458	595	595
13	Refunds, awards, and indemnities	12,947	11,538	11,538
15	Taxes and assessments	47,261	44,840	51,840
	1959 program obligated in 1958	252,490	−252,490	
	Subtotal	17,858,822	18,972,928	22,640,715
	Deduct quarters and subsistence charges	201,073	200,418	215,715
	Total, Bureau of Indian Affairs	17,657,749	18,772,510	22,425,000
	ALLOCATION TO GEOLOGICAL SURVEY			
07	Other contractual services	43,417		
	Total obligations	17,701,166	18,772,510	22,425,000

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; [$26,000,000] *$17,000,000*, to remain available until expended[, of which not to exceed $12,000 may be paid to the North Dakota State Water Conservation Commission for the construction of culverts at Zeibaugh Pass, North Dakota]: *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, 331b, 386, 465, 631–640; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$26,000,000** Estimate 1960, **$17,000,000**

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

CONSTRUCTION—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			Appropriation required to complete
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1960	
Program by activities:									
1. Buildings and utilities	$63,448,287	$9,136,776	$9,546,349	$18,312,135	$19,592,000	$12,271,027	$6,271,027	$13,592,000	$590,000
2. Irrigation systems	167,679,000	98,683,934	3,374,665	5,127,648	3,408,000	564,957	564,957	3,408,000	56,519,796
3. Land acquisition	132,805	49,380	1,000	74,674		7,751	7,751		
Total program costs	231,260,092	107,870,090	12,922,014	23,514,457	23,000,000	12,843,735	6,843,735	17,000,000	57,109,796
Unfunded adjustment to total program costs: Property or services transferred in (−) without charge, net			−26,948						
Total program costs, funded			12,895,066	23,514,457	23,000,000				
4. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)					−6,000,000				
Obligations incurred for costs of other years, net			3,499,562	4,000,000					
Total program (obligations)			16,394,628	27,514,457	17,000,000				
Financing:									
Unobligated balance brought forward			−909,085	−1,514,457					
Unobligated balance carried forward			1,514,457						
Appropriation (new obligational authority)			17,000,000	26,000,000	17,000,000				

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 rehabilitations 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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$5,613	$4,788	$4,788	$4,788
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	5,070,523	8,820,607	12,820,607	6,820,607
Advances (payments for goods and services on order not yet received)	3,925	6,913	6,913	6,913
Work in process (goods and services to be costed to activities when completed)	264,112	11,427	11,427	11,427
Total selected resources at end of year	5,344,173	8,843,735	12,843,735	6,843,735
Selected resources at start of year (−)	−5,344,173	−8,843,735	−12,843,735	−12,843,735
Costs financed from obligations of other years, net (−)				−6,000,000
Obligations incurred for costs of other years, net		3,499,562	4,000,000	

Object Classification

	1958 actual	1959 estimate	1960 estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	423	452	452
Full-time equivalent of all other positions	67	238	187
Average number of all employees	444	650	599
Number of employees at end of year	493	678	665
Average GS grade and salary	6.3 $4,788	6.5 $5,367	6.3 $5,335
Average salary of ungraded positions	$4,121	$4,144	$4,136

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
BUREAU OF INDIAN AFFAIRS—continued			
01 Personal services:			
Permanent positions	$2,066,485	$2,407,490	$2,407,490
Positions other than permanent	314,833	1,118,600	916,529
Other personal services	39,355	43,214	38,674
Total personal services	2,420,673	3,569,304	3,362,693
02 Travel	264,339	308,069	308,000
03 Transportation of things	160,118	196,760	200,500
04 Communication services	49,464	94,172	86,425
05 Rents and utility services	58,939	167,769	69,700
06 Printing and reproduction	70,052	133,494	107,100
07 Other contractual services	1,204,697	2,127,378	1,238,837
Services performed by other agencies	55,796	51,396	16,396
08 Supplies and materials	1,227,126	1,729,739	847,902
09 Equipment	833,039	1,202,599	873,700
10 Lands and structures	9,880,042	17,541,539	9,675,518
11 Grants, subsidies, and contributions	111,336	349,234	173,811
13 Refunds, awards, and indemnities	8,640	9,050	22,888
15 Taxes and assessments	8,526	17,504	80
16 Investments and loans	5,175	6,057	6,057
Subtotal	16,357,962	27,504,064	16,989,607
Deduct quarters and subsistence charges	10,279	8,348	8,348
Total, Bureau of Indian Affairs	16,347,683	27,495,716	16,981,259
ALLOCATION ACCOUNTS			
07 Other contractual services	46,945	18,741	18,741
Total obligations	16,394,628	27,514,457	17,000,000
Obligations are distributed as follows:			
Bureau of Indian Affairs	$16,347,683	$27,495,716	$16,981,259
Geological Survey	22,543	15,508	15,508
Bureau of Reclamation	24,402	3,233	3,233

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)[, $8,000,000] *and section 6 of the Federal-Aid Highway Act of 1958 (72 Stat. 93) and the Act of August 23, 1958 (72 Stat. 834), $14,600,000,* to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$12,000,000** Estimate 1960, **$14,600,000**

[a] Includes $4,000,000 appropriated in Supplemental Appropriation Act, 1959.

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Program and Financing

	Costs			Analysis of 1960 financing		
	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Contract authorization available for 1960
Program by activities:						
1. Road maintenance	$2,686,878	$2,823,785				
2. Federal-aid highway roads	8,038,139	9,147,764	$9,600,000	$22,095,000	$24,495,000	$12,000,000
3. Navajo-Hopi roads		2,400,000	5,000,000	17,600,000	12,600,000	
Total program costs	10,725,017	14,371,549	14,600,000	39,695,000	37,095,000	12,000,000
Unfunded adjustment to total program costs: Property and services transferred in without charge, net (−)	−356,092					
Total program costs, funded	10,368,925	14,371,549	14,600,000			
4. Relation of costs to obligations:						
Costs financed from obligations of other years, net (−)		−1,122,863				
Obligations incurred for costs of other years, net	4,543,976					
Total program (obligations)	14,912,901	13,248,686	14,600,000			
Financing:						
Unobligated balance brought forward (contract authorization)	−13,161,587	−10,248,686	−29,000,000			
Unobligated balance carried forward (contract authorization)	10,248,686	29,000,000	26,400,000			
Contract authorization (new) (permanent)	12,000,000	32,000,000	12,000,000			

Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Unfunded balance at beginning of year	$14,685,071	$14,685,071	$33,685,071
Contract authorization (new) (permanent)	12,000,000	32,000,000	12,000,000
Unfunded balance transferred to Proposed for later transmission		−1,000,000	
Unfunded balance at end of year	−14,685,071	−33,685,071	−31,085,071
Appropriation to liquidate contract authorization	12,000,000	12,000,000	14,600,000

1. *Road maintenance.*—This activity appears under Resources management appropriation in 1960.

2. *Federal-aid highway roads.*—The proposed road construction program for 1960 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.

	1958 actual	*1959 estimate*	*1960 estimate*
Grading and draining (miles)	259	392	345
Surface (miles)	422	467	430
Bridge construction (running feet)	3,321	2,127	2,129
Surveys and plans (miles)	690	608	463

3. *Navajo-Hopi roads.*—The program for 1959 proposed the first step in bringing Routes 1 and 3 on the Navajo-Hopi reservation up to a standard acceptable to the States of Arizona and New Mexico so that they may assume future maintenance responsibilities. A supplemental of $1 million to liquidate contract authorizations for 1959 is anticipated under Proposed for later transmission.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$36,494	$15,188	$20,000	$20,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	3,414,454	7,450,779	6,500,000	6,500,000
Advances (payments for goods and services on order not yet received)	74,034	74,812	75,000	75,000
Work in process (goods and services to be costed to activities when completed)	3,322	3,754		
Equipment (acquisition value of facilities used on projects less depreciation charged to project costs)	$3,667,253	$4,273,330	$4,100,000	$4,100,000
Total selected resources at end of year	7,195,557	11,817,863	10,695,000	10,695,000
Selected resources at start of year (−)		−7,195,557	−11,817,863	−10,695,000
Adjustment of selected resources reported at start of year		−78,330		
Costs financed from obligations of other years, net (−)			−1,122,863	
Obligations incurred for costs of other years, net		4,543,976		

Object Classification

	1958 actual	1959 estimate	1960 estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	730	832	461
Full-time equivalent of all other positions	157	208	100
Average number of all employees	751	864	475
Number of employees at end of year	938	1,025	585
Average GS grade and salary	6.3 $4,788	6.5 $5,367	6.3 $5,335
Average salary of ungraded positions	$4,121	$4,144	$4,136
01 Personal services:			
Permanent positions	$2,774,964	$3,223,705	$1,943,125
Positions other than permanent	682,695	941,506	452,800
Other personal services	31,335	34,815	18,000
Total personal services	3,488,994	4,200,026	2,413,925
02 Travel	246,567	221,068	217,000
03 Transportation of things	34,182	36,241	24,000
04 Communication services	32,176	31,620	30,500
05 Rents and utility services	84,798	84,318	45,500
06 Printing and reproduction	4,668	4,800	5,000
07 Other contractual services	420,083	299,170	240,600
Services performed by other agencies	16,510	17,000	17,000
08 Supplies and materials	1,061,660	729,584	265,000
09 Equipment	461,752	369,413	265,000
10 Lands and structures	8,882,250	7,024,450	10,902,559
11 Grants, subsidies, and contributions	127,808	143,269	88,916
13 Refunds, awards, and indemnities	4,493	1,600	
15 Taxes and assessments	17,646	18,275	12,000
Subtotal	14,883,587	13,180,834	14,527,000
Deduct quarters and subsistence charges	47,493	42,297	27,000
Total, Bureau of Indian Affairs	14,836,094	13,138,537	14,500,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	10	4	4
Full-time equivalent of all other positions	1	2	2
Average number of all employees	6	6	6
Number of employees at end of year	6	7	7
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$25,135	$19,925	$19,925
Positions other than permanent	3,393	6,500	6,500
Other personal services	94	1,175	1,175
Total personal services	28,622	27,600	27,600

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

ROAD CONSTRUCTION [AND MAINTENANCE] (LIQUIDATION OF CONTRACT AUTHORIZATION—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE—con.			
02 Travel	$7,616	$8,200	$8,200
03 Transportation of things	31	100	100
04 Communication services	183	200	200
05 Rents and utility services	1,513	600	600
06 Printing and reproduction	260	400	400
07 Other contractual services	20,026	30,000	30,000
08 Supplies and materials	795	1,000	1,000
10 Lands and structures	15,964	40,324	30,175
11 Grants, subsidies, and contributions	1,797	1,725	1,725
Total, Bureau of Public Roads	76,807	110,149	100,000
Total obligations	14,912,901	13,248,686	14,600,000

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] *$3,715,000*. *(25 U. S. C. 13; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$3,450,000** Estimate 1960, **$3,715,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental offices	$959,635	$1,007,000	$1,007,000
2. Field offices	2,809,885	2,708,000	2,708,000
Total program costs	3,769,520	3,715,000	3,715,000
Unfunded adjustment to total program costs: Property or services transferred in (−) without charge (net)	−247,952		
Total program costs, funded	3,521,568	3,715,000	3,715,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,772	
Obligations incurred for costs of other years, net	28,267		
Total program (obligations)	3,549,835	3,713,228	3,715,000
Financing:			
1959 appropriation available in 1958	−1,772	1,772	
Unobligated balance no longer available	11,500		
New obligational authority	3,559,563	3,715,000	3,715,000
New obligational authority:			
Appropriation	$3,450,000	$3,450,000	$3,715,000
Transferred to "Trust Territory of the Pacific Islands," Office of Territories (71 Stat. 236)	−17,000		
Transferred from "Education and welfare services" (72 Stat. 243)	126,563		
Appropriation (adjusted)	3,559,563	3,450,000	3,715,000
Proposed supplemental due to pay increases		265,000	

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.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$695	$712	$712	$712
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	83,660	102,621	100,849	100,849
Advances (payments for goods and services on order not yet received)	6,252	3,677	3,677	3,677
Work in process (goods and services to be costed to activities when completed)	310	550	550	550
Total selected resources at end of year	90,917	107,560	105,788	105,788
Selected resources at start of year (−)		−90,917	−107,560	−105,788
Adjustment of selected resources reported at start of year		11,624		
Costs financed from other years, net (−)			−1,772	
Obligations incurred for costs of other years, net		28,267		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	499	495	495
Full-time equivalent of all other positions	5	4	4
Average number of all employees	462	473	471
Number of employees at end of year	469	469	469
Average GS grade and salary	6.3 $4,788	6.5 $5,367	6.3 $5,335
Average salary of ungraded positions	$4,121	$4,144	$4,136
01 Personal services:			
Permanent positions	$2,596,937	$2,849,936	$2,848,750
Positions other than permanent	26,355	22,800	22,800
Other personal services	29,905	30,026	31,110
Total personal services	2,653,197	2,902,762	2,902,660
02 Travel	233,891	242,294	242,300
03 Transportation of things	20,540	16,650	16,650
04 Communication services	103,115	100,294	100,294
05 Rents and utility services	58,880	58,159	58,159
06 Printing and reproduction	22,929	21,425	21,425
07 Other contractual services	111,015	95,983	96,000
Services performed by other agencies	27,295	30,147	30,147
08 Supplies and materials	124,577	93,754	95,509
09 Equipment	72,183	22,503	20,600
11 Grants, subsidies, and contributions	167,129	184,773	185,000
13 Refunds, awards, and indemnities	7,765	3,300	3,300
15 Taxes and assessments	969	865	865
1959 program obligated in 1958	1,772	−1,772	
Subtotal	3,605,257	3,771,137	3,772,909
Deduct quarters and subsistence charges	55,422	57,909	57,909
Total obligations	3,549,835	3,713,228	3,715,000

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] *Acts* of August 14, 1957 (71 Stat. 347) [$250,000], *and August 23, 1958 (72 Stat. 816), $100,000,* to remain available until expended. *(Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$250,000** Estimate 1960, **$100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to Klamath Tribe of Indians (total costs—obligations)		$200,000	$150,000
Financing:			
Unobligated balance brought forward			−50,000
Unobligated balance carried forward		50,000	
Appropriation (new obligational authority)		250,000	100,000

Provision is made for reimbursing the Klamath Tribe of Indians for necessary expenses involved in preparation for termination of Federal supervision.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services		$200,000	$150,000

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Liquidation of Klamath and Menominee Agencies

For expenses necessary for the liquidation of the Klamath and Menominee Indian Agencies in terminating supervision over the property of the Klamath and Menominee Tribes of Indians and the individual members thereof, $250,000.

Estimate 1960, **$250,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Expenses of liquidating Klamath and Menominee Indian Agencies (total costs—obligations)			$250,000
Financing:			
Appropriation (new obligational authority)			250,000

During period of liquidating the Klamath and Menominee Indian Agencies appropriated funds will be used for expenses instead of tribal funds.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions			28
Full-time equivalent of all other positions			14
Average number of all employees			40
Number of employees at end of year			56
Average GS grade and salary			6.3 $5,335
Average salary of ungraded positions			$4,136
01 Personal services:			
Permanent positions			$140,760
Positions other than permanent			51,527
Other personal services			833
Total personal services			193,120
02 Travel			7,500
03 Transportation of things			450
04 Communication services			2,500
05 Rents and utility services			4,800
07 Other contractual services			24,055
08 Supplies and materials			8,400
11 Grants, subsidies, and contributions			9,150
15 Taxes and assessments			25
Total obligations			250,000

[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), $200,000, to remain available until expended.] *(Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to Menominee Tribe of Indians (total costs—obligations)		$275,000	
Financing:			
Unobligated balance brought forward		−300,000	−$225,000
Unobligated balance carried forward	$300,000	225,000	225,000
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

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services		$275,000	

Colorado River Indian Reservation Benefits, Southern and Northern Reserves

(Indefinite special fund)

Appropriated (est.) 1959, **$112,000** Estimate 1960, **$112,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Colorado River Indian Reservation benefits (total costs—obligations)	$134,082	$112,120	$112,000
Financing:			
Unobligated balance brought forward		−120	
Unobligated balance carried forward	120		
Appropriation (new obligational authority)	134,202	112,000	112,000

All receipts from leasing of unassigned lands, Colorado River Indian Reservation, Arizona, southern and northern reserves, may be expended for the benefit of the Colorado River tribes and their members (69 Stat. 723).

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$134,082	$112,120	$112,000

Distribution of Funds of the Creek Indians

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Expenses of distribution (total program costs)	$66,095	$70,053	$9,261
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−125	
Obligations incurred for costs of other years (unpaid undelivered orders), net	37		
Total program (obligations)	66,132	69,928	9,261
Financing:			
Unobligated balance brought forward	−145,321	−79,189	−9,261
Unobligated balance carried forward	79,189	9,261	
Appropriation (new obligational authority)			

1. *Expenses of distribution.*—This provides for expenses incident to the distribution of funds held in trust for members of the Creek Nation of Indians (69 Stat. 431).

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1957, $88; 1958, $125.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	15	14	1
Average number of all employees	14	13	1
Number of employees at end of year	14	13	1
Average GS grade and salary	6.3 $4,788	6.5 $5,367	6.3 $5,338
01 Personal services:			
Permanent positions	$56,597	$58,660	$7,270
Positions other than permanent	1,221		
Other personal services	223	226	30
Total personal services	58,041	58,886	7,300
02 Travel	887	1,000	500
03 Transportation of things	12	25	
04 Communication services	1,202	1,549	300
07 Other contractual services	722	1,000	900
08 Supplies and materials	764	2,000	214
09 Equipment	1,268	1,500	
11 Grants, subsidies, and contributions	3,091	3,828	47
15 Taxes and assessments	145	140	
Total obligations	66,132	69,928	9,261

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

BUREAU OF INDIAN AFFAIRS MISCELLANEOUS ACCOUNTS

NOTE.—The following schedule includes unobligated balances for—
"Fulfilling treaties with Winnebagoes."
"Payment to Shawnee and affiliated Delaware Indians, Oklahoma, act December 22, 1927."
"Payment to Indians, States, counties, etc., act June 11, 1940."
"Redemption of restricted Indian property subject to taxation."
"Fulfilling treaties with Columbias and Colvilles."
"Payment to Indians of Klamath Agency, Oregon."
"Payment to Indians of Round Valley Reservation, California, for lands."
"Payment to absentee Shawnees for lands."

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Payment to Pine Ridge Sioux Tribe of Indians"		$147,000	
2. "Payment to Tillamooks and other Indians of Oregon"	$55		
3. "Payment to loyal Creeks and Freedmen"	103,332	405,999	
4. "Payment to Sioux Indians for property losses, act May 3, 1928"	954		
5. "Fulfilling treaties with Indians formerly of Lemhi Agency, Idaho"	190		
Total program costs	104,531	552,999	
6. Relation of costs to obligations: Costs financed from obligations of other years (unpaid grants and refunds), net (−)	−103,332	−405,999	
Total program (obligations)	1,199	147,000	
Financing:			
Unobligated balance brought forward	−168,167	−147,000	
Unobligated balance carried forward	147,000		
Unobligated balance no longer available	20,977		
Appropriation (new obligational authority)	1,009		

6. *Relation of costs to obligations.*—The year-end balances of unpaid grants and refunds are as follows: 1957, $509,331; 1958, $405,999.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$245	$147,000	
13 Refunds, awards, and indemnities	954		
Total obligations	1,199	147,000	

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 two hundred [sixty-five] *and eighty-five* passenger motor vehicles (*including twenty-five for police-type use without regard to the general purchase price limitation for the current fiscal year*) 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), *the Act of August 3, 1956* (*70 Stat. 986*), 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, 1959.*)

TRIBAL FUNDS

(Trust fund)

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated $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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct costs:			
1. Education and welfare services	$163,280	$175,301	$170,401
2. Resources management	634,278	729,949	692,411
3. Construction and land acquisition	74,301	67,000	65,000
4. General tribal affairs	474,481	2,027,750	2,072,188
Subtotal (limitation)	1,346,340	3,000,000	3,000,000
5. Payments to Indian tribes	32,671,341	31,026,321	23,807,907
6. Miscellaneous tribal activities	18,140,433	21,208,503	16,416,364
7. Advances to Indian tribes (indefinite authorizations)	14,652,276	10,054,777	2,352,451
Total direct costs	66,810,390	65,289,601	45,576,722
Reimbursable costs:			
8. Revolving tribal credit funds	77,950	200,000	200,000
Total program costs	66,888,340	65,489,601	45,776,722
9. Relation of costs to obligations: Obligations incurred for costs of other years, net	112,744		
Total program (obligations)	67,001,084	65,489,601	45,776,722
Financing:			
Unobligated balance brought forward (appropriated)	148,796,966	134,468,846	141,753,768
Unobligated balance brought forward (unappropriated)	100,469	2,394,523	
Receipts:			
Various tribal funds	54,709,257	70,000,000	70,000,000
Licenses under Federal Power Act from Indian reservations	179,811	180,000	180,000
Reimbursements from non-Federal sources (25 U. S. C. 470)	77,950	200,000	200,000
Unobligated balance carried forward (appropriated)	−134,468,846	−141,753,768	−166,257,046
Unobligated balance carried forward (unappropriated)	−2,394,523		
Total financing	67,001,084	65,489,601	45,776,722

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. Tribal funds are derived from various sources including revenue from tribal resources and enterprises.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$231,055	$343,375	$343,375	$343,375
Advances (payments for goods and services on order not yet received)		424	424	424
Total selected resources at end of year	231,055	343,799	343,799	343,799
Selected resources at start of year (−)		−231,055	−343,799	−343,799
Obligations incurred for costs of other years, net		112,744		

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
Total number of permanent positions	357	331	250
Full-time equivalent of all other positions	379	372	372
Average number of all employees	675	639	584
Number of employees at end of year	336	339	400
Average GS grade and salary	5.3 $4,290	5.2 $4,725	5.3 $4,806
Average salary of ungraded positions	$3,630	$3,649	$3,683
01 Personal services:			
Permanent positions	$1,310,625	$1,231,926	$998,870
Positions other than permanent	1,334,492	1,327,267	1,322,247
Other personal services	15,136	17,096	22,260
Total personal services	2,660,253	2,576,289	2,343,377
02 Travel	59,860	58,620	57,800
03 Transportation of things	57,132	51,321	49,450
04 Communication services	20,182	18,134	17,150
05 Rents and utility services	20,951	21,630	20,000
06 Printing and reproduction	6,957	5,400	5,310
07 Other contractual services	1,572,160	1,357,470	1,245,540
08 Supplies and materials	992,420	943,251	981,250
09 Equipment	85,481	80,242	75,320
10 Lands and structures	10,731	67,000	65,000
11 Grants, subsidies, and contributions	58,952,919	58,053,029	38,781,367
15 Taxes and assessments	565,245	470,000	470,000
16 Investments and loans	1,948,121	1,623,140	1,500,000
Subtotal	66,952,412	65,325,526	45,611,564
Deduct quarters and subsistence charges	29,278	35,925	34,842
Total direct obligations	66,923,134	65,289,601	45,576,722
Reimbursable obligations:			
16 Investments and loans	77,950	200,000	200,000
Total obligations	67,001,084	65,489,601	45,776,722

Permanent authorizations:

CLAIMS AND TREATY OBLIGATIONS

(Indefinite)

Appropriated (estimate) 1959, **$140,500** Estimate 1960, **$140,500**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Fulfilling treaties with Senecas of New York"	$5,924	$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"	30,006	30,000	30,000
4. "Payment to Indians of Sioux Reservation"	109,830	100,000	100,000
Total program (costs—obligations)	150,260	140,500	140,500
Financing:			
Appropriation (new obligational authority)	150,260	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

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$150,260	$140,500	$140,500

OTHER BUREAU OF INDIAN AFFAIRS PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1959, **$4,497,500** Estimate 1960 **$4,610,200**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936		$72,842	$10,000
2. Indian arts and crafts fund	$462	340	200
3. Operation and maintenance, Indian irrigation systems	2,588,551	3,019,497	2,963,541
4. Power systems, Indian irrigation projects	1,840,135	1,528,900	1,522,700
5. Purchase of land, Rocky Boy's Reservation, Montana		11,157	
6. Colorado River Indian Reservation fund, northern reserve	38,894		
7. Colorado River Indian Reservation fund, southern reserve	9,821	8,951	
Total program costs	4,477,863	4,641,687	4,496,441
Unfunded adjustment to total program costs: Property or services transferred in (−) without charge, net	−224,105		
Total program costs, funded	4,253,758	4,641,687	4,496,441
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−81,767		
Obligations incurred for costs of other years, net		11,574	
Total program (obligations)	4,171,991	4,653,261	4,496,441
Financing:			
Unobligated balance brought forward	−2,663,060	−2,479,934	−2,324,173
Unobligated balance carried forward	2,479,934	2,324,173	2,437,932
New obligational auth rity	3,988,865	4,497,500	4,610,200
New obligational authority:			
"Acquisition of lands and loans to Indians in Oklahoma, act June 26, 1936"	$3,602	$10,000	$10,000
"Indian arts and crafts fund"	32	200	200
"Operation and maintenance, Indian irrigation systems"	2,437,521	3,000,000	3,000,000
"Power systems, Indian irrigation projects"	1,541,570	1,487,300	1,600,000
"Colorado River Indian Reservation fund, northern reserve"	745		
"Colorado River Indian Reservation fund, southern reserve"	5,395		
Appropriation	3,988,865	4,497,500	4,610,200

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 craft 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

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BUREAU OF INDIAN AFFAIRS—Continued

Permanent authorizations—Continued

OTHER BUREAU OF INDIAN AFFAIRS PERMANENT APPROPRIATIONS—Continued

(Indefinite special funds)—Continued

to operate and maintain these systems (60 Stat. 895) (65 Stat. 254).

Property or services transferred in without charge, net.—Represents acquisition of surplus equipment without cost to these accounts pursuant to provisions of the act of June 30, 1949 (63 Stat. 377), as amended.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$288,756	$264,276	$275,000	$275,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	432,188	374,025	375,000	375,000
Advances (payments for goods and services on order not yet received)	.....	108	.....	.....
Work in process (goods and services to be costed to activities when completed)	1,249	2,017	2,000	2,000
Total selected resources at end of year	722,193	640,426	652,000	652,000
Selected resources at start of year (−)	.....	−722,193	−640,426	−652,000
Costs financed from obligations of other years, net (−)	.....	−81,767	.....	.....
Obligations incurred for costs of other years, net	.....	.....	11,574	.....

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	578	580	577
Full-time equivalent of all other positions	37	50	50
Average number of all employees	487	519	514
Number of employees at end of year	625	617	610
Average GS grade and salary	6.3 $4,788	6.5 $5,367	6.3 $5,335
Average salary of ungraded positions	$4,121	$4,144	$4,136
01 Personal services:			
Permanent positions	$1,975,877	$2,088,127	$2,088,401
Positions other than permanent	150,019	194,500	194,500
Other personal services	40,804	37,208	35,616
Total personal services	2,166,700	2,319,835	2,318,517
02 Travel	13,561	13,631	13,200
03 Transportation of things	45,591	37,100	35,900
04 Communication services	17,808	16,652	15,900
05 Rents and utility services	628,709	691,682	715,800
06 Printing and reproduction	434	500	400
07 Other contractual services	423,875	594,045	579,751
Services performed by other agencies	22,086	16,516	16,382
08 Supplies and materials	580,951	652,874	587,620
09 Equipment	126,145	90,040	76,550
10 Lands and structures	2,653	86,999	13,000
11 Grants, subsidies, and contributions	155,970	142,401	133,450
13 Refunds, awards, and indemnities	2,905	2,600	2,550
14 Interest	1,901	1,500	800
15 Taxes and assessments	8,172	7,993	7,805
Subtotal	4,197,461	4,674,368	4,517,625
Deduct quarters and subsistence charges	25,470	21,107	21,184
Total obligations	4,171,991	4,653,261	4,496,441

Public enterprise funds:

REVOLVING FUND FOR LOANS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Administrative expenses	$471,770	$566,000	$754,000
Provision for losses on loans	185,720	230,000	230,000
Total operating costs	657,490	796,000	984,000
Unfunded adjustment to total operating costs: Provision for losses on loans included above (−)	−185,720	−230,000	−230,000
Total operating costs, funded	471,770	566,000	754,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Capital outlay: Acquisition of loans	$2,446,615	$1,760,000	$1,369,000
Total program (costs—obligations)	2,918,385	2,326,000	2,123,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	1,946,951	1,500,000	1,500,000
Interest on loans	134,623	150,000	150,000
Cattle settlements	206,338	50,000	40,000
Total amounts becoming available	2,287,912	1,700,000	1,690,000
Unobligated balance brought forward	7,945,384	7,314,911	6,688,911
Total amounts available	10,233,296	9,014,911	8,378,911
Unobligated balance carried forward	−7,314,911	−6,688,911	−6,255,911
Financing applied to program	2,918,385	2,326,000	2,123,000

This fund is used to assist Indians in acquiring livestock, farm, and other equipment and in establishing tribal business 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, 1958, the principal of the fund amounted to $16.5 million, consisting of $13.8 million appropriated, and $2.7 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 includes net writeoffs of loans receivable amounting to $104,018.79.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$2,446,615	$1,760,000	$1,369,000
Expense	471,770	566,000	754,000
Increase in selected working capital	250	.....	.....
Total gross expenditures	2,918,635	2,326,000	2,123,000
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	1,946,951	1,500,000	1,500,000
Revenue	134,623	150,000	150,000
Cattle settlements	206,338	50,000	40,000
Total receipts from operations	2,287,912	1,700,000	1,690,000
Budget expenditures	630,723	626,000	433,000

Revenue, Expense, and Retained Earnings

Loan program:			
Revenue	$134,623	$150,000	$150,000
Expense	657,490	796,000	984,000
Net loss (−) for the year	−522,867	−646,000	−834,000
Deficit (−), beginning of year	−1,617,493	−2,140,360	−2,786,360
Deficit (−), end of year	−2,140,360	−2,786,360	−3,620,360

Financial Condition

Assets:			
Cash with Treasury and in banks	$7,314,911	$6,688,911	$6,255,911
Loans outstanding, net	7,025,433	7,055,433	6,694,433
Total assets	14,340,344	13,744,344	12,950,344
Government investment:			
Non-interest-bearing capital:			
Start of year	16,274,366	16,480,704	16,530,704
Cattle settlements	206,338	50,000	40,000
End of year	16,480,704	16,530,704	16,570,704
Deficit (−)	−2,140,360	−2,786,360	−3,620,360
Total Government investment	14,340,344	13,744,344	12,950,344

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Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$7,945,634	$7,314,911	$6,688,911	$6,255,911
Obligated balance, net: Current liabilities	250			
Unobligated balance	7,945,384	7,314,911	6,688,911	6,255,911

Object Classification

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		75	73	93
Full-time equivalent of all other positions		1	1	1
Average number of all employees		64	70	87
Number of employees at end of year		63	70	93
Average GS grade and salary		6.3 $4,788	6.5 $5,367	6.3 $5,335
Average salary of ungraded positions		$4,121	$4,144	$4,136
01	Personal services:			
	Permanent positions	$339,600	$409,682	$505,388
	Positions other than permanent	4,047	4,000	4,000
	Other personal services	14,698	27,161	42,397
	Total personal services	358,345	440,843	551,785
02	Travel	33,072	40,516	95,531
03	Transportation of things	3,888	3,250	3,250
04	Communication services	6,546	6,343	6,343
05	Rents and utility services	9,489	10,945	10,945
06	Printing and reproduction	1,482	1,000	1,000
07	Other contractual services	13,301	13,990	13,990
08	Supplies and materials	21,163	23,427	28,427
09	Equipment	8,102	5,000	15,000
11	Grants, subsidies, and contributions	23,122	26,893	33,936
15	Taxes and assessments	174	25	25
16	Investments and loans	2,446,615	1,760,000	1,369,000
	Subtotal	2,925,299	2,332,232	2,129,232
	Deduct quarters and subsistence charges	6,914	6,232	6,232
	Total obligations	2,918,385	2,326,000	2,123,000

Liquidation of Hoonah Housing Project Revolving Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts becoming available:			
Unobligated balance transferred from "Revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency (72 Stat. 974)		$111,204	
Revenue and receipts:			
Collection of loans		1,193	$1,000
Interest on loans		5,766	5,730
Selected working capital transferred in at inception of fund		15,851	
Total amounts becoming available		134,014	6,730
Unobligated balance brought forward			134,014
Total amounts available		134,014	140,744
Unobligated balance carried forward		−134,014	−140,744
Financing applied to program			

This fund was transferred from the Housing and Home Finance Agency to the Secretary of the Interior under the provisions of Public Law 85–806, enacted August 28, 1958 (72 Stat. 974). The Secretary will use the $111,204, transferred from the Housing and Home Finance Agency, along with any other revenues that may be received from the Hoonah housing project for the purpose of liquidating said project in accordance with the provisions of law.

Budget program.—For 1958 this fund was accounted for by the Housing and Home Finance Agency as a part of the fund entitled Revolving fund (liquidating program), Office of the Administrator.

Operating results.—The retained earnings are expected to increase because of interest collections on loans receivable until such funds as may be needed are used for the purpose of liquidating the project.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Increase in selected working capital		$19,617	$3,730
Receipts from operations (funds provided):			
Loans repaid		1,193	1,000
Revenue		5,766	5,730
Selected working capital transferred in at inception of fund		15,851	
Total receipts from operations		22,810	6,730
Budget expenditures		−3,193	−3,000

Revenue, Expense, and Retained Earnings

Revenue (net income for the year)		$5,766	$5,730
Retained earnings, beginning of year			5,766
Retained earnings, end of year		5,766	11,496

Financial Condition

Assets:			
Cash with Treasury		$114,397	$117,397
Accounts receivable		19,617	23,347
Mortgage notes, net		191,000	190,000
Total assets		325,014	330,744
Government investment:			
Non-interest-bearing capital:			
Start of year			319,248
Balance transferred from "Revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency (72 Stat. 974):			
Cash		111,204	
Other assets		208,044	
End of year		319,248	319,248
Retained earnings		5,766	11,496
Total Government investment		325,014	330,744

Status of Certain Fund Balances

Unexpended balance: Cash		$114,397	$117,397
Obligated balance, net: Accounts receivable		−19,617	−23,347
Unobligated balance		134,014	140,744

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Facilitating common services (Department of Health, Education, and Welfare)	$109,088	$272,227	$274,000
2. Road relocation (Corps of Engineers, Department of the Army—Civil)	16,350	650,200	650,000
3. Miscellaneous other accounts	78,470	229,997	230,000
4. Replacement of personal property sold	193,772	142,685	142,000
5. Veterans tuition	10,315	10,375	10,000
6. Surplus milk products	401,524	484,882	485,000
7. Printing and reproduction	3,551	4,634	4,000
8. Refund of lump sum leave	78		
Total obligations	813,148	1,795,000	1,795,000
Financing:			
Unobligated balance brought forward		200	
Advances and reimbursements from—			
Other accounts	607,598	1,640,740	1,639,000
Non-Federal sources:			
Replacement of personal property sold (40 U. S. C. 481 (c))	193,772	142,685	142,000
Veterans tuition (25 U. S. C. 288–289)	10,315	10,375	10,000
Printing and reproduction (5 U. S. C. 488)	1,185	1,000	4,000
Refund of terminal leave	78		
Unobligated balance carried forward	200		
Total financing	813,148	1,795,000	1,795,000

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BUREAU OF INDIAN AFFAIRS—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

Total number of permanent positions		32		50		50
Average number of all employees		32		50		50
Number of employees at end of year		32		50		50
Average GS grade and salary	6.3	$4,788	6.5	$5,367	6.3	$5,335
Average salary of ungraded positions		$4,121		$4,144		$4,136
01 Personal services:						
Permanent positions		$131,025		$219,300		$219,300
Other personal services		505		843		1,600
Total personal services		131,530		220,143		220,900
02 Travel		1,608		2,000		2,000
03 Transportation of things		703		2,000		2,000
04 Communication services		167		500		500
05 Rents and utility services		47,927		53,386		54,000
06 Printing and reproduction		3,551		4,634		5,000
07 Other contractual services		10,707		77,410		77,500
Services performed by other agencies		345				
08 Supplies and materials		502,890		670,473		668,850
09 Equipment		89,834		100,000		100,000
10 Lands and structures		16,350		650,200		650,000
11 Grants, subsidies, and contributions		7,536		14,254		14,250
Total obligations		813,148		1,795,000		1,795,000

Proposed for later transmission:

ROADS CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Unfunded balance transferred from "Road construction (liquidation of contract authorization)"		$1,000,000	
Financing:			
Proposed supplemental appropriation to liquidate contract authorization		1,000,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $1,000,000 is proposed to provide cash for liquidation of contract authorization pursuant to the act of August 23, 1958 (72 Stat. 834).

PAYMENT TO STANDING ROCK SIOUX TRIBE OF INDIANS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to Standing Rock Sioux Tribe of Indians (total costs—obligations)		$6,960,000	
Financing:			
Proposed supplemental appropriation		6,960,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 in the amount of $6,960,000 is anticipated for the purpose of developing individual and family plans, relocating, reestablishing, and providing other assistance designed to help improve the economic and social conditions of all recognized members of the Standing Rock Sioux Tribe of Indians.

BUREAU OF RECLAMATION

The Bureau plans, constructs, and operates facilities to irrigate lands, furnish domestic water supplies, and develop related hydroelectric power and flood control in the 17 Western States and Alaska.

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:

Appropriation title	*Estimate of appropriation*	*General fund*	*Reclamation fund*	*Colorado River dam fund*	*Colorado River development fund*
General investigations	$5,000,000	$500,000	$4,000,000	----------	$500,000
Construction and rehabilitation	135,410,000	40,410,000	95,000,000	----------	---------
Operation and maintenance	29,131,000	3,437,000	23,644,000	$2,050,000	---------
General administrative expenses	4,400,000	----------	4,400,000	----------	---------
Loan program	220,000	220,000	----------	----------	---------
Upper Colorado River Basin fund	77,035,000	77,035,000	----------	----------	---------
Total	251,196,000	121,602,000	127,044,000	2,050,000	500,000

The total appropriation request of $251,196,000 represents a decrease of $8,584,335 compared with the enacted appropriations of the current year and an increase of $51,221,777 compared with the preceding 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, [$4,556,000] *$5,000,000,* of which [$3,831,000] *$4,000,000* 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, 1959.*)

Appropriated 1959, **$4,556,000** Estimate 1960, **$5,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Engineering and economic investigations:			
(*a*) Reconnaissance	$287,470	$215,960	$314,520
(*b*) Basin surveys	924,259	771,000	703,055
(*c*) Project investigations	3,635,787	3,615,432	3,624,002
(*d*) General engineering and research	127,695	141,955	121,500
(*e*) Engineering methods and materials research	----------	----------	250,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
2. Advance planning:			
Canadian River project, Texas	$6,844	$42,671	$6,000
Chief Joseph Dam project, Greater Wenatchee division, Washington		60,000	
McMillan Delta project, New Mexico	10,029	20,271	
San Angelo project, Texas	75,830	38,000	
Santa Margarita project, California	58		
Trinidad project, Colorado		94,045	14,122
Washoe project, Nevada-California	202,336	181,592	75,895
3. Investigations of existing projects	6,235	23,863	37,000
4. Alaskan investigations	161,905	237,319	265,000
5. Adjustment in cost: Prior year balances of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices	−167,571	178,746	
Total program costs	5,270,877	5,620,857	5,411,094
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−41,407	−33,701
Obligations incurred for costs of other years (net)	122,393		
Total program (obligations)	5,393,270	5,579,450	5,377,393
Financing:			
Comparative transfers to other accounts	95,326		
Unobligated balance brought forward	−567,940	−1,136,673	−300,000
Advanced from Reclamation trust funds	−125,284	−186,777	−100,000
Recovery of prior year obligations	−45		
Unobligated balance carried forward	1,136,673	300,000	22,607
New obligational authority	5,932,000	4,556,000	5,000,000
New obligational authority:			
Reclamation fund, special fund	$5,182,000	$3,831,000	$4,000,000
Colorado River development fund	500,000	500,000	500,000
General fund	250,000	225,000	500,000
Appropriation	5,922,000	4,556,000	5,000,000

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	*1958 actual*	*1959 estimate*	*1960 estimate*
Prior year studies continuing	69	60	63
Prior year studies completed	11	28	18
Initiated or resumed and completed during the year	3	4	2
Initiated or resumed but not completed	19	21	12

The amount requested for the Bureau's normal planning program is $5,000,000 (an increase of $440,000 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; to make general engineering and research studies of reclamation problems either independently or in cooperation with local, State, or other Federal agencies; and to investigate new and improved engineering methods and materials, including studies of reservoir evaporation control.

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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$24,924	$56,652	$53,183	$52,735
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	160,501	210,914	130,835	132,982
Equipment and service facilities (acquisition value of facilities used on investigation activities, less depreciation charged to investigation costs)	376,869	417,121	459,262	423,862
Total selected resources at end of year	562,294	684,687	643,280	609,579
Selected resources at start of year (−)		−562,294	−684,687	−643,280
Costs financed from obligations of other years, net (−)			−41,407	−33,701
Obligations incurred for costs of other years (net)		122,393		

Object Classification

		1958 actual	1959 estimate	1960 estimate
	BUREAU OF RECLAMATION			
	Total number of permanent positions	714	682	679
	Full-time equivalent of all other positions	41	30	29
	Average number of all employees	624	616	629
	Number of employees at end of year	717	659	659
	Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
	Average salary of ungraded positions	$4,941	$5,226	$5,237
01	Personal services:			
	Permanent positions	$3,490,296	$3,880,226	$4,002,093
	Positions other than permanent	171,650	112,120	76,636
	Other personal services	57,321	62,875	62,979
	Total personal services	3,719,267	4,055,221	4,141,708
02	Travel	252,062	205,914	209,550
03	Transportation of things	23,007	20,276	21,320
04	Communication services	38,912	41,348	41,165
05	Rents and utility services	31,014	33,376	36,970
06	Printing and reproduction	44,942	60,830	57,725
07	Other contractual services	445,712	356,205	130,205
	Services performed by other agencies	185,515	345,354	265,950
08	Supplies and materials	122,811	121,137	115,652
09	Equipment	81,297	73,905	67,810
10	Lands and structures	9,119	9,440	8,000
11	Grants, subsidies, and contributions	213,076	250,673	275,088
13	Refunds, awards, and indemnities	2,415	1,954	2,415
15	Taxes and assessments	3,725	3,817	3,835
	Total, Bureau of Reclamation	5,172,874	5,579,450	5,377,393
	ALLOCATION TO GEOLOGICAL SURVEY			
07	Other contractual services	220,396		
	Total obligations	5,393,270	5,579,450	5,377,393

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, [$146,015,000] *$135,410,000*, of which [$85,000,000] *$95,000,000* 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 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 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

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

CONSTRUCTION AND REHABILITATION—Continued

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[: *Provided further*, That no part of the funds herein appropriated shall be used for the Palisades Reregulating Dam and Powerplant (Burns Creek, Idaho) project until it is authorized: *Provided further*, That no part of the funds herein appropriated shall be used for the construction of the Prosser Creek Dam and Reservoir (Washoe project, California-Nevada) until the enactment into law of S.4009, or similar legislation: *Provided further*, That no part of the funds herein appropriated shall be used for the construction of the Gray Reef Dam and Reservoir (Glendo unit, Missouri River Basin project) until said dam and reservoir are specifically authorized]. (*Public Works Appropriation Act, 1959.*)

Appropriated 1959, **$146,015,000** Estimate 1960, **$135,410,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Gila project, Arizona	$600,236	$432,764	$1,139,000
2. Colorado River front work and levee system, Arizona-California-Nevada		281,000	
3. Parker-Davis project, Arizona-California-Nevada	56,160		400,000
4. Boulder Canyon project, Arizona-Nevada	32,710	376,290	2,900,000
5. Central Valley project, California	34,617,411	44,624,648	42,500,000
6. Solano project, California	4,278,898	1,816,102	307,000
7. Ventura project, California	11,549,172	10,095,745	392,000
8. Collbran project, Colorado	1,645,946	3,970,797	4,500,000
9. Little Wood River project, Idaho	112,341	1,351,759	571,618
10. Minidoka project, North Side pumping division, Idaho	1,416,097	388,208	850,000
11. Palisades project, Burns Creek dam and powerplant, Idaho		100,000	400,000
12. Fort Peck project, Montana-North Dakota	522,771	2,059,519	2,902,000
13. Washoe project, Prosser Creek dam and reservoir, Nevada-California		800,000	1,600,000
14. McMillan Delta project, New Mexico		233,000	100,000
15. Middle Rio Grande project, New Mexico	3,809,373	3,233,827	1,400,000
16. Washita Basin project, Oklahoma	3,569,094	8,003,906	10,100,000
17. Crooked River project, Oregon	588,866	2,042,834	2,833,000
18. Rogue River Basin project, Talent division, Oregon	6,689,510	8,348,000	2,747,788
19. Wapinitia project, Juniper division, Oregon	400,000	98,300	39,700
20. Klamath project, Oregon-California	144,861	353,392	522,000
21. Lower Rio Grande project, Mercedes division, Texas		500,000	1,500,000
22. San Angelo project, Texas		610,000	4,000,000
23. Provo River project, Utah	590,277	810,970	632,000
24. Weber Basin project, Utah	4,971,741	5,789,745	5,835,000
25. Columbia Basin project, Washington	14,316,937	10,917,363	8,000,000
26. Shoshone project, Wyoming	746,934	522,866	110,000
27. Drainage and minor construction	12,866,046	5,006,292	1,085,611
28. Rehabilitation and betterment of existing projects	2,761,602	2,927,377	3,501,076
29. Missouri River Basin:			
Ainsworth unit, Nebraska		1,139,040	2,000,000
Bostwick division, Nebraska-Kansas	1,712,193	1,881,782	2,338,000
Farwell unit, Nebraska		794,810	3,000,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
29. Missouri River Basin—Continued			
Frenchman-Cambridge division, Nebraska	3,709,205	3,599,993	4,076,035
Glendo unit, Wyoming	10,111,553	11,295,807	2,118,000
Helena Valley unit, Montana	4,832,276	2,555,176	2,182,000
Owl Creek unit, Wyoming	1,587,107	1,227,145	1,007,859
Transmission division, various	8,869,978	10,090,182	15,508,000
Webster unit, Kansas	987,314	1,293,685	3,115,000
Yellowtail unit, Montana-Wyoming		2,500,000	
Drainage and minor construction	1,938,912	1,333,797	645,000
Investigations	1,311,134	963,772	866,000
Advance planning	1,428,069	1,386,177	1,134,000
Subtotal, Missouri River Basin, Bureau of Reclamation	36,487,741	40,061,366	37,989,894
Other Department of the Interior agencies	3,162,094	2,548,244	3,000,000
Total, Missouri River Basin	39,649,835	42,609,610	40,989,894
30. Prior year balances of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices	−315,811	359,870	
31. Undistributed reduction based on anticipated delays and savings		−6,016,999	−6,000,000
Total obligations	145,621,007	152,647,185	135,857,687
Financing:			
Comparative transfers to other accounts	1,900,000		
Unobligated balance brought forward	−28,123,590	−7,670,693	−658,572
Unobligated balance transferred to "Loan program" (72 Stat. 1576)		419,318	
Recovery of prior year obligations	−351,887	−39,382	
Unobligated balance carried forward	7,670,693	658,572	210,885
New obligational authority	126,716,223	146,015,000	135,410,000
New obligational authority:			
Reclamation fund, special fund	$55,000,000	$85,000,000	$95,000,000
General fund	71,736,223	61,015,000	40,410,000
Appropriation	126,736,223	146,015,000	135,410,000
Transferred to "Operating expenses, Transportation and Public Utilities Service," General Services Administration (5 U. S. C. 630 (e))	−20,000		
Appropriation (adjusted)	126,716,223	146,015,000	135,410,000

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 $135.4 million represents a decrease of $10.6 million from 1959.

The following workload summary table shows work continuing on 52 projects or units, with 9 scheduled for completion in 1960. No new starts are recommended for 1960. Bureau operations during the year will provide facilities for 137,400 new and supplemental acres of irrigated land and 48,000 kilowatts of new power generating capacity.

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PROGRAM WORKLOAD SUMMARY

Projects or activities	Estimated total project cost (in millions)	Estimated transfers to or from (−) other projects or funds, net (in millions)	Total estimate of costs to this appropriation (in millions)	Program accomplished through 1959			1960 program goals		
				Power (kilowatts installed capacity, in thousands)	Irrigation		Power (kilowatts installed capacity, in thousands)	Irrigation	
					New acres (in thousands)	Supplemental acres (in thousands)		New acres (in thousands)	Supplemental acres (in thousands)
Completed, June 30, 1958 (74 projects and 4 Missouri River Basin units)	$518.1	------	$518.1	474.8	2,200.1	2,036.8	----	----	----
Completed, 1959 (11 projects)	275.8	−$2.5	273.3	227.9	100.4	751.1	----	1.5	35.7
Under construction, 1960:									
Continuing:									
Central Valley	800.6	.8	801.4	629.5	33.7	812.7	----	----	----
Collbran	14.9	−.4	14.5	-------	-------	-------	----	----	----
Columbia Basin	778.8	6.0	784.8	1,974.0	410.0	-------	----	20.0	----
Missouri River Basin:									
Farwell	33.3	−1.6	31.7	-------	-------	-------	----	----	----
Frenchman-Cambridge division	80.7	−.6	80.1	-------	39.0	1.0	----	----	----
Transmission division	317.7	−1.8	315.9	-------	-------	-------	----	----	----
San Angelo	32.2	−.2	32.0	-------	-------	-------	----	----	----
Washita Basin	40.4	−.3	40.1	-------	-------	-------	----	----	----
Weber Basin	73.5	−1.8	71.7	5.4	3.0	7.0	----	5.0	2.0
Other (15 projects and 5 Missouri River Basin units)	816.7	−25.6	791.1	1,650.3	639.2	89.2	48.0	37.2	----
Drainage and minor construction (5 projects and 9 Missouri River Basin units)	277.8	2.1	279.9	67.8	714.1	32.0	----	1.2	----
Total continuing (26 projects and 17 Missouri River Basin units)	3,266.6	−23.4	3,243.2	4,327.0	1,839.0	941.9	48.0	63.4	2.0
Completed:									
Buford-Trenton	1.2	−.3	.9	-------	10.7	-------	----	----	----
Little Wood River	2.2	−.1	2.1	-------	-------	-------	----	----	9.6
Missouri River Basin:									
Canyon Ferry	29.1	.1	29.2	-------	-------	-------	----	----	----
Owl Creek	5.6	−.6	5.0	-------	-------	3.2	----	----	9.9
Rio Grande, Elephant Butte power	16.7	−.8	15.9	24.3	-------	-------	----	----	----
Solano	37.9	−.7	37.2	-------	71.9	24.2	----	----	----
Ventura River	29.7	−.7	29.0	-------	-------	-------	----	10.7	2.5
Wapinitia	.6	−.1	.5	-------	-------	-------	----	----	2.1
Yakima-Roza	21.4	.2	21.6	11.3	72.0	-------	----	----	----
Total completed (7 projects and 2 Missouri River Basin units)	144.4	−3.0	141.4	35.6	154.6	27.4	----	10.7	24.1
Inactive (4 projects and 4 Missouri River Basin units)	114.5	−1.9	112.6	115.5	78.4	698.7	----	----	----
Total construction	3,525.5	−28.3	3,497.2	4,478.1	2,072.0	1,668.0	48.0	74.1	26.1
Rehabilitation and betterment (work on 14 projects)	38.1	−.4	37.7	-------	-------	-------	----	----	----
Grand total, construction and rehabilitation	4,357.5	−31.2	4,326.3	5,180.8	4,372.5	4,455.9	48.0	75.6	61.8

Project costs to this appropriation are presented in the following table:

PROGRAM BY ACTIVITIES

	Costs to this appropriation					Analysis of 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1960	Appropriation required to complete
1. Gila project, Arizona	$56,100,000	$52,611,294	$837,494	$548,360	$1,153,052	$65,186	$51,134	$1,139,000	$898,666
2. Colorador River front work and levee system, Arizona-California-Nevada	281,000	----------	----------	281,000	----------	----------	----------	----------	----------
3. Parker-Davis project, Arizona-California-Nevada	131,791,408	130,307,541	252,813	1,054	250,000	----------	150,000	400,000	830,000
4. Boulder Canyon project, Arizona-Nevada	168,306,390	160,226,599	61,367	321,290	2,655,000	55,000	300,000	2,900,000	4,742,134
5. Central Valley project, California	801,367,246	469,341,879	35,664,430	40,010,781	46,011,633	11,151,692	7,640,059	42,500,000	202,698,464
6. Solano project, California	37,156,517	29,172,239	4,043,498	3,633,780	307,000	----------	----------	307,000	----------
7. Ventura project, California	28,979,768	5,448,157	8,895,257	13,389,354	1,202,000	810,000	----------	392,000	45,000
8. Collbran project, Colorado	14,470,000	125,710	1,615,007	3,254,364	4,436,000	1,050,027	1,114,027	4,500,000	3,924,892
9. Little Wood River project, Idaho	2,137,718	----------	106,623	1,135,008	794,087	222,469	----------	571,618	102,000
10. Minidoka project, North Side pumping division, Idaho	12,028,220	7,830,727	2,086,143	632,350	850,000	20,000	20,000	850,000	609,000
11. Palisades project, Burns Creek dam and powerplant, Idaho	44,616,000	----------	----------	89,000	328,000	411,000	83,000	----------	44,116,000
12. Fort Peck project, Montana-North Dakota	21,977,504	10,433,344	339,849	2,025,912	2,772,000	272,399	402,399	2,902,000	6,004,000
13. Washoe project, Prosser Creek dam and reservoir, Nevada-California	4,350,000	----------	----------	700,000	1,300,000	100,000	400,000	1,600,000	1,950,000
14. McMillan Delta project, New Mexico	2,217,173	----------	----------	225,000	100,000	8,000	8,000	100,000	1,884,173
15. Middle Rio Grande project, New Mexico	30,731,730	19,170,153	3,806,834	2,911,565	2,183,200	847,634	64,434	1,400,000	2,595,544
16. Washita Basin project, Oklahoma	40,051,500	365,414	3,271,258	6,689,483	10,991,486	1,636,215	744,729	10,100,000	17,989,130
17. Crooked River project, Oregon	7,420,000	----------	532,660	1,659,762	2,813,000	439,278	459,278	2,833,000	1,955,300
18. Rogue River Basin project, Talent division, Oregon	22,992,000	1,258,108	7,140,500	7,056,493	3,901,550	1,653,899	500,137	2,747,788	3,135,212
19. Wapinitia project, Juniper division, Oregon	538,000	----------	75,886	373,456	88,658	48,958	----------	39,700	----------
20. Klamath project, Oregon-California	18,140,738	14,725,536	156,284	360,795	523,900	18,872	16,972	522,000	2,357,251
21. Lower Rio Grande project, Mercedes division, Texas	10,760,015	----------	----------	400,000	1,290,000	100,000	310,000	1,500,000	8,760,015
22. San Angelo project, Texas	32,031,020	----------	----------	595,000	3,500,000	15,000	515,000	4,000,000	27,421,020
23. Provo River project, Utah	35,558,124	32,351,424	742,664	814,466	589,501	30,009	72,508	632,000	987,561
24. Weber Basin project, Utah	71,735,000	25,404,659	5,116,280	7,145,993	6,021,000	1,191,221	1,005,221	5,835,000	27,041,847
25. Columbia Basin project, Washington	784,769,000	506,170,491	15,312,362	10,506,924	8,795,000	4,264,837	3,469,837	8,000,000	240,514,386
26. Shoshone project, Wyoming	24,241,646	21,932,429	668,459	610,743	108,000	36,000	38,000	110,000	884,015
27. Drainage and minor construction	592,871,363	552,539,041	17,196,941	6,453,266	1,294,509	545,335	289,826	1,039,000	15,097,780
28. Rehabilitation and betterment of existing projects	38,354,684	15,242,684	3,111,286	3,264,032	3,317,899	378,804	560,905	3,500,000	12,857,878
29. Missouri River Basin:									
Ainsworth unit, Nebraska	25,435,000	----------	----------	765,040	1,681,000	374,000	693,000	2,000,000	22,295,960
Bostwick division, Nebraska-Kansas	51,335,260	30,067,669	3,479,892	1,945,891	2,348,000	328,408	318,408	2,338,000	13,175,400
Farwell unit, Nebraska	31,682,000	----------	----------	714,810	2,510,000	80,000	570,000	3,000,000	27,887,190
Frenchman-Cambridge division, Nebraska	80,097,461	52,472,972	4,355,659	3,406,694	4,127,035	997,836	946,836	4,076,035	14,788,265
Glendo unit, Wyoming	45,109,914	16,055,664	11,492,845	12,962,182	4,362,758	2,244,758	----------	2,118,000	236,465
Helena Valley unit, Montana	13,604,241	1,956,908	5,460,036	2,797,541	2,190,000	121,756	113,756	2,182,000	1,086,000
Owl Creek unit, Wyoming	4,970,456	926,520	1,312,312	1,302,090	1,429,534	421,675	----------	1,007,859	----------
Transmission division, various	315,905,518	97,622,228	9,693,366	9,847,455	15,832,200	1,514,878	1,190,678	15,508,000	181,719,591
Webster unit, Kansas	18,422,402	11,661,935	949,858	1,511,545	2,965,000	51,704	201,704	3,115,000	1,132,360

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

CONSTRUCTION AND REHABILITATION—Continued

Program by Activities—Continued

	Costs to this appropriation					Analysis of 1960 financing			
	Total estimate	*To June 30, 1957*	*1958 actual*	*1959 estimate*	*1960 estimate*	*Deduct selected resources and unobligated balance, start of year*	*Add selected resources and unobligated balance, end of year*	*Appropriation required for 1960*	*Appropriation required to complete*
29. Missouri River Basin—Continued									
Yellowtail unit, Montana-Wyoming	$107,421,129	$386,585	----------	$2,500,000	----------	$64,544	$64,544	----------	$104,470,000
Drainage and minor construction	245,295,804	175,484,508	$2,771,611	1,429,583	$650,413	230,089	224,676	$645,000	64,735,013
Investigations	43,663,580	30,628,900	1,334,782	970,681	860,000	290,677	270,677	866,000	9,558,540
Advance planning	29,250,310	16,729,576	1,537,275	1,385,784	1,160,000	101,753	101,753	1,134,000	8,335,922
Subtotal, Missouri River Basin, Bureau of Reclamation	1,012,193,075	433,993,465	42,387,636	41,539,296	40,115,940	6,822,078	4,696,032	37,989,894	449,460,706
Other Department of the Interior agencies	[1] 53,427,661	44,717,323	3,162,094	2,548,244	3,000,000	----------	----------	3,000,000	----------
Total, Missouri River Basin	1,065,620,736	478,710,788	45,549,730	44,087,540	43,115,940	6,822,078	4,696,032	40,989,894	449,460,706
30. Adjustment in cost—prior year balance of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices	----------	----------	−315,811	359,870	----------	----------	----------	----------	−44,059
31. Undistributed reduction based on anticipated delays and savings	----------	----------	----------	−6,016,999	−6,000,000	----------	----------	−6,000,000	12,016,999
Total program costs	4,101,594,500	2,533,368,217	156,267,814	153,519,642	144,692,415	32,193,913	22,911,498	135,410,000	1,090,834,914
32. Relation of costs to obligations: Costs financed from obligations of other years, net (−)			−10,646,807	−872,457	−8,834,728				
Total program (obligations)			145,621,007	152,647,185	135,857,687				

[1] Represents total cost to June 30, 1960.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$1,683,303	$1,251,972	$967,698	$803,659
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	30,664,536	20,157,073	20,169,203	12,218,394
Service facilities (acquisition value of facilities less depreciation charged to project cost)	10,207,885	10,437,970	9,834,213	9,136,264
Deferred charges (investigations of abandoned or unprogramed works, operation and maintenance during construction, and investments)	498,881	560,783	564,227	542,296
Total selected resources at end of year	43,054,605	32,407,798	31,535,341	22,700,613
Selected resources at start of year (−)	----------	−43,054,605	−32,407,798	−31,535,341
Costs financed from obligations of other years, net (−)	----------	−10,646,807	−872,457	−8,834,728

Object Classification

	1958 actual	1959 estimate	1960 estimate
BUREAU OF RECLAMATION			
Total number of permanent positions	4,957	4,595	4,604
Full-time equivalent of all other positions	123	105	86
Average number of all employees	4,425	4,109	4,143
Number of employees at end of year	4,216	4,224	4,099
Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
Average salary of ungraded positions	$4,941	$5,226	$5,237
01 Personal services:			
Permanent positions	$24,349,996	$24,435,830	$24,355,895
Positions other than permanent	503,549	483,569	442,870
Other personal services	685,924	668,500	682,820
Total personal services	25,539,469	25,587,899	25,481,585
02 Travel	895,579	829,092	834,601
03 Transportation of things	393,932	329,140	266,990
04 Communication services	271,430	314,682	306,545
05 Rents and utility services	166,099	234,270	231,250
06 Printing and reproduction	153,757	249,320	257,195
07 Other contractual services	3,294,495	3,963,532	1,737,613
Services performed by other agencies	670,176	821,097	612,850
08 Supplies and materials	2,762,220	2,226,612	1,677,600
09 Equipment	1,967,017	1,982,981	1,951,050
10 Lands and structures	104,809,019	112,186,014	97,934,587

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
BUREAU OF RECLAMATION—continued			
11 Grants, subsidies, and contributions	$1,524,379	$1,628,811	$1,612,809
13 Refunds, awards, and indemnities	124,874	81,082	85,255
15 Taxes and assessments	34,346	37,798	39,947
Subtotal	142,606,792	150,472,330	133,029,877
Deduct quarters and subsistence charges	209,815	209,389	172,190
Total, Bureau of Reclamation	142,396,977	150,262,941	132,857,687
ALLOCATION ACCOUNTS			
Total number of permanent positions	131	122	129
Full time equivalent of all other positions	14	19	15
Average number of all employees	125	124	130
Number of employees at end of year	150	138	149
Average GS grade and salary	7.9 $5,604	8.0 $6,308	7.9 $6,263
Average salary of ungraded positions	$5,108	$5,044	$5,145
01 Personal services:			
Permanent positions	$667,110	$653,470	$702,657
Positions other than permanent	55,795	67,162	44,327
Other personal services	9,305	10,055	8,471
Total personal services	732,210	730,687	755,455
02 Travel	88,943	58,338	81,755
03 Transportation of things	2,794	2,826	2,900
04 Communication services	8,123	6,375	8,550
05 Rents and utility services	6,054	5,300	5,950
06 Printing and reproduction	4,741	9,200	8,125
07 Other contractual services	2,081,172	1,350,014	1,962,879
Services performed by other agencies	157,624	131,500	91,250
08 Supplies and materials	35,634	33,855	22,760
09 Equipment	23,969	15,900	13,700
10 Lands and structures	30,057	500	500
11 Grants, subsidies, and contributions	47,690	38,114	43,851
13 Refunds, awards, and indemnities	2,423	510	210
15 Taxes and assessments	2,596	1,125	2,115
Total, allocation accounts	3,224,030	2,384,244	3,000,000
Total obligations	145,621,007	152,647,185	135,857,687
Obligations are distributed as follows:			
Bureau of Reclamation	$142,396,977	$150,262,941	$132,857,687
Fish and Wildlife Service	338,180	211,863	280,000
Geological Survey	1,949,076	1,266,000	1,890,000
Bureau of Indian Affairs	243,331	228,085	196,400
Bureau of Land Management	249,875	240,149	249,600
Bureau of Mines	136,318	123,750	140,000
National Park Service	298,603	314,397	244,000
Bureau of Public Roads, Department of Commerce	8,647	----------	----------
Total obligations	145,621,007	152,647,185	135,857,687

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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, [$27,500,000] *$29,131,000*, of which [$22,365,100] *$23,644,000* shall be derived from the reclamation fund and [$2,015,000] *$2,050,000* shall be derived from the Colorado River dam fund: *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, 1959.*)

Appropriated 1959, **$27,500,000** Estimate 1960, **$29,131,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Eklutna project, Alaska	$262,936	$267,024	$268,000
2. Yuma projects office, Arizona-California	1,071,246	979,900	528,254
3. Colorado River front work and levee system, Arizona-California-Nevada	1,594,546	1,470,200	1,534,009
4. Parker-Davis project, Arizona-California-Nevada	2,627,589	2,441,320	2,619,000
5. Boulder Canyon project, Arizona-Nevada	1,548,093	1,435,000	1,444,000
6. Boulder City, Nevada	720,918	663,563	605,000
7. Cachuma project, California	78,886	74,391	75,000
8. Central Valley project, California	5,394,426	5,989,686	6,093,426
9. Kings River project, California	683	4,000	15,000
10. Solano project, California			56,500
11. Colorado-Big Thompson project, Colorado	751,490	893,937	912,000
12. San Luis Valley project, Colorado	7,968	8,000	8,000
13. Boise project, Idaho-Oregon	413,865	402,400	415,000
14. Minidoka area projects, Idaho-Wyoming	1,034,608	1,202,242	1,499,950
15. Hungry Horse project, Montana	479,956	557,300	524,000
16. Milk River project, Montana	34,966	140,250	248,750
17. North Platte project, Nebraska-Wyoming	289,630	331,395	250,500
18. Carlsbad project, New Mexico	13,260	15,000	15,300
19. Middle Rio Grande project, New Mexico	1,103,414	1,019,654	1,210,000
20. Rio Grande project, New Mexico-Texas	1,274,904	1,612,300	1,466,000
21. W. C. Austin project, Oklahoma	8,469	10,400	9,000
22. Rogue River project, Talent division, Oregon			78,000
23. Klamath project, Oregon-California	111,790	104,700	111,600
24. Falcon project, Texas	10,000	9,400	5,000
25. Provo River project, Deer Creek Dam and powerplant, Utah	16,788	20,493	19,850
26. Columbia Basin project, Washington	4,589,895	4,937,976	5,132,000
27. Yakima project, Washington	665,857	706,000	710,500
28. Kendrick project, Wyoming	262,287	350,225	277,000
29. Riverton project, Wyoming	108,835	124,967	115,000
30. Shoshone project, Wyoming	200,290	209,685	169,500
31. Missouri River Basin	4,545,938	5,796,450	5,374,264
32. Soil and moisture conservation operations	843,506	865,269	859,332
33. Halogeton (poisonous weed) control	65,101	72,007	69,000
34. Projects financed entirely with funds advanced	83,974	112,300	129,800
Total program costs	30,216,114	32,827,434	32,847,526
35. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−413,236	−566,878	
Obligations incurred for costs of other years, net			8,019
Total program (obligations)	29,802,878	32,260,556	32,855,545
Financing:			
1959 appropriation available in 1958	−227,289	227,289	
Non-Federal funds advanced by water users:			
Unobligated balance brought forward	−1,358,028	−1,385,488	−1,124,949
New advances	−3,518,216	−3,803,306	−3,729,259
Unobligated balance carried forward	1,385,488	1,124,949	1,129,663
Unobligated balance no longer available	1,702,662		
New obligational authority	27,787,495	28,424,000	29,131,000
New obligational authority:			
Reclamation fund, special fund	$22,705,950	$22,365,100	$23,644,000
Colorado River dam fund, Boulder Canyon project	2,078,650	2,015,000	2,050,000
General fund	3,215,400	3,119,900	3,437,000
Appropriation	28,000,000	27,500,000	29,131,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority—Continued			
Transferred (72 Stat. 243) to—			
"General administrative expenses"	−$85,300		
"Salaries and expenses," Office of the Secretary	−61,000		
"Salaries and expenses," Office of the Solicitor	−36,400		
"Operation and maintenance," Southwestern Power Administration	−22,731		
"General administrative expenses," Bureau of Sport Fisheries and Wildlife	−6,315		
"General administrative expenses," Bureau of Commercial Fisheries	−759		
Appropriation (adjusted)	27,787,495	$27,500,000	$29,131,000
Proposed supplemental due to pay increases		924,000	

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 flood-control operations on certain projects and 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, irrigation works are operated and maintained until the water users are able to undertake the responsibilities. In 1960 a total of 41 projects and 23 Missouri River Basin units and divisions will be operated and maintained for irrigation, power, municipal and industrial water supplies. Of these, 20 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:		
1958	29,043	$70,238,611
1959	29,906	71,373,510
1960	30,165	72,398,727

Commercial power is sold to wholesale customers such as municipalities, Rural Electrification Administration-financed cooperatives, private utilities, and other Government agencies. These revenues are deposited to the reclamation fund, the Colorado River dam fund, or the general fund.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$3,939,614	$4,010,595	$4,077,279	$4,104,198
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,917,997	1,337,438	703,876	684,976
Total selected resources at end of year	5,857,611	5,348,033	4,781,155	4,789,174
Selected resources at start of year (−)	−5,857,611	−5,348,033	−4,781,155	−4,781,155
Adjustment of selected resources reported at start of year		96,342		
Costs financed from obligations of other years, net (−)		−413,236	−566,878	
Obligations incurred for costs of other years, net				8,019

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3,960	3,903	3,868
Full-time equivalent of all other positions	118	76	81
Average number of all employees	3,689	3,816	3,815
Number of employees at end of year	3,798	3,825	3,879
Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
Average salary of ungraded positions	$4,941	$5,226	$5,237
01 Personal services:			
Permanent positions	$18,607,583	$20,672,616	$21,110,183
Positions other than permanent	394,543	291,908	296,585
Other personal services	677,278	713,812	737,684
Total personal services	19,679,404	21,678,336	22,144,452
02 Travel	414,303	429,145	456,225
03 Transportation of things	106,113	118,779	126,552
04 Communication services	284,684	311,254	328,924
05 Rents and utility services	573,822	634,827	492,610
06 Printing and reproduction	27,526	37,310	30,070
07 Other contractual services	3,121,518	3,510,810	3,207,710
Services performed by other agencies	277,073	227,216	260,924
08 Supplies and materials	2,563,470	2,967,650	2,886,873
09 Equipment	1,005,895	960,502	949,734
10 Lands and structures	802,712	705,020	976,680
11 Grants, subsidies, and contributions	1,156,241	1,251,432	1,291,274
13 Refunds, awards, and indemnities	50,499	43,402	45,750
15 Taxes and assessments	37,355	39,920	43,719
1959 program obligated in 1958	227,289	−227,289	
Subtotal	30,327,904	32,688,314	33,241,497
Deduct quarters and subsistence charges	525,026	427,758	385,952
Total obligations	29,802,878	32,260,556	32,855,545

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, [$4,039,000] *$4,400,000*, 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, 1959.*)

Appropriated 1959, **$4,039,000** Estimate 1960, **$4,400,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental and Denver offices	$2,365,720	$2,501,175	$2,483,400
2. Regional offices	1,846,721	1,914,209	1,916,600
Total program costs	4,212,441	4,415,384	4,400,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−22,579	
Obligations incurred for costs of other years, net	16,484		
Total program (obligations)	4,228,925	4,392,805	4,400,000
Financing:			
1959 appropriation available in 1958	−6,795	6,795	
Unobligated balance no longer available	27,170		
New obligational authority	4,249,300	4,399,600	4,400,000
New obligation authority:			
Appropriation (Reclamation fund, special fund)	$4,164,000	$4,039,000	$4,400,000
Transferred from "Operation and maintenance" (72 Stat. 243)	85,300		
Appropriation (adjusted)	4,249,300	4,039,000	4,400,000
Proposed supplemental due to pay increases		360,600	

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 regionwide basis as distinguished from project supervision.

Other administrative costs directly chargeable to specific projects or activities are included under appropriations for these programs.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$34,579			
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	42,274	$44,579	$22,000	$22,000
Total selected resources at end of year	76,853	44,579	22,000	22,000
Selected resources at start of year (−)		−76,853	−44,579	−22,000
Adjustment of selected resources reported at start of year		48,758		
Costs financed from obligations of other years, net (−)			−22,579	
Obligations incurred for costs of other years, net		16,484		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	497	465	457
Full-time equivalent of all other positions	3	3	3
Average number of all employees	488	462	455
Number of employees at end of year	481	461	456
Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
Average salary of ungraded positions	$4,941	$5,226	$5,237
01 Personal services:			
Permanent positions	$3,488,156	$3,605,948	$3,592,480
Positions other than permanent	8,234	11,590	11,340
Other personal services	16,313	29,307	38,070
Total personal services	3,512,703	3,646,845	3,641,890
02 Travel	189,428	196,145	201,660
03 Transportation of things	14,460	15,955	17,555
04 Communication services	59,826	65,890	65,170
05 Rents and utility services	5,121	8,370	9,740
06 Printing and reproduction	21,738	22,560	22,420
07 Other contractual services	85,191	75,635	76,990
Services performed by other agencies	33,183	39,520	38,980
08 Supplies and materials	46,868	60,535	52,050
09 Equipment	34,269	22,800	23,190
11 Grants, subsidies, and contributions	213,507	235,945	238,415
13 Refunds, awards, and indemnities	5,357	8,890	11,430
15 Taxes and assessments	479	510	510
1959 program obligated in 1958	6,795	−6,795	
Total obligations	4,228,925	4,392,805	4,400,000

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, [$5,434,000] *$220,000*, 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]. (*Public Works Appropriation Act, 1959.*)

Appropriation 1959, [a] **$9,637,000** Estimate 1960, **$220,000**

[a] Includes $4,203,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Distribution systems	$352,974	$6,406,589	$4,991,814
2. Small projects:			
(a) Loans		3,692,800	3,532,300
(b) Grants		87,100	42,900
3. Administration	95,326	200,000	220,000
Total program costs	448,300	10,386,489	8,787,014

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−$749,489	−$8,567,014
Obligations incurred for costs of other years (unpaid undelivered orders), net	$1,547,026		
Total program (obligations)	1,995,326	9,637,000	220,000
Financing:			
Comparative transfer from (−) other accounts	−1,995,326		
Unobligated balance brought forward			−419,318
Unobligated balance transferred from "Construction and rehabilitation" (72 Stat. 1576)		−419,318	
Unobligated balance carried forward		419,318	419,318
Appropriation (new obligational authority)		9,637,000	220,000

This appropriation from the general fund provides for loans to non-Federal organizations for construction and rehabilitation of distribution systems and for loans and grants to enable non-Federal organizations to construct small irrigation projects. 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. *Small projects.*—Loans and grants not exceeding a total of $5,000,000 are made to non-Federal agencies for construction of small projects. Grants may be made for those purposes which would be nonreimbursable if the project were to be constructed by the Federal Government under reclamation law. An amount of $4,860,000 is proposed for later transmission and appears below.

3. *Administration.*—Funds are provided for necessary expenses to carry out the loan program.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $12,302,000; 1958, $13,849,026; 1959, $13,099,537; and 1960, $4,532,523.

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		10		19		17
Average number of all employees		9		22		23
Number of employees at end of year		8		14		14
Average GS grade and salary	7.2	$5,490	7.3	$6,140	7.4	$6,211
Average salary of ungraded positions		$4,941		$5,226		$5,237
01 Personal services:						
Permanent positions		$68,373		$147,666		$168,658
Other personal services		137		574		912
Total personal services		68,510		148,240		169,570
02 Travel		6,441		9,790		10,090
03 Transportation of things		176		300		300
04 Communication services		615		850		950
05 Rents and utility services		355		360		360
06 Printing and reproduction		2,043		2,200		2,200
07 Other contractual services		1,690,419		36,385		20,695
08 Supplies and materials		1,365		4,900		5,200
09 Equipment		1,052		1,100		1,100
11 Grants, subsidies, and contributions		4,350		138,769		9,535
16 Investments and loans		220,000		9,294,106		
Total obligations		1,995,326		9,637,000		220,000

Emergency Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Central Valley project, California	$223,770	$24,961	
2. Grand Valley project, Colorado	3,948		
3. Huntley project, Montana	12,366		
4. Klamath project, Oregon-California	23,329		
5. Parker-Davis project, Arizona-California-Nevada		45,000	
6. Missouri River Basin:			
Bostwick division, Nebraska-Kansas	11,808		
Transmission division		136,000	
7. Funds available for emergencies		182,518	$300,000
Total program costs	275,221	388,479	300,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−24,961	
Obligations incurred for costs of other years (unpaid undelivered orders), net	8,180		
Total program (obligations)	283,401	363,518	300,000
Financing:			
Unobligated balance brought forward	−924,848	−663,518	−300,000
Recovery of prior year obligations	−22,071		
Unobligated balance carried forward	663,518	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.

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $16,781, and 1958, $24,961.

Object Classification

		1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		3		
Full-time equivalent of all other positions		3		
Average number of all employees		6		
Number of employees at end of year		1		
Average GS grade and salary	7.2	$5,490		
Average salary of ungraded positions		$4,941		
01 Personal services:				
Permanent positions		$16,712		
Positions other than permanent		12,395		
Other personal services		64		
Total personal services		29,171		
02 Travel		1,135		
03 Transportation of things		48		
04 Communication services		477		
05 Rents and utility services		110		
06 Printing and reproduction		546		
07 Other contractual services		11,760		
Services performed by other agencies		509		
08 Supplies and materials		2,059		
09 Equipment		322		
10 Lands and structures		236,469	$181,000	
11 Grants, subsidies, and contributions		794		
15 Taxes and assessments		1		
Funds available for emergencies			182,518	$300,000
Total obligations		283,401	363,518	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

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

SPECIAL FUNDS—Continued

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, 1959.*)

ADMINISTRATIVE PROVISIONS

Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed [one hundred and ten] *eighty-four* passenger motor vehicles [of which one hundred and nine are] 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 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: *Provided, That, when determined by the Secretary to be in the public interest, these limitations may be exceeded.*

[Not to exceed $125,000 of the funds made available for the Solano project, California, shall be available for the construction of safety and public-use facilities which shall be nonreimbursable and nonreturnable.]

[Not to exceed $600,000 of the amount appropriated herein for the Washita Basin project, Oklahoma, shall be nonreimbursable, representing that portion of the cost of the Foss Dam and Reservoir allocated to furnish a water supply for the Clinton-Sherman Air Force Base.] (*Public Works Appropriation Act, 1959.*)

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, Army.
"Construction," Bureau of Indian Affairs.
"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

(Indefinite special fund)

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance brought forward	$98,805,061	$125,985,130	$135,143,825
Receipts: Reclamation fund—			
Collections, Bureau of Reclamation	13,198,431	13,782,000	14,627,000
Collections, other agencies	46,972,771	49,253,000	52,111,000
Power revenues	52,192,719	61,485,000	54,150,000
Unobligated balance returned to unappropriated receipts	1,878,002		
Total available for appropriation	213,046,984	250,505,130	256,031,825
Deduct appropriation for—			
Annual appropriations:			
"General investigations"	5,182,000	3,831,000	4,000,000
"Construction and rehabilitation"	55,000,000	85,000,000	95,000,000
"Operation and maintenance"	22,705,950	22,365,100	23,644,000
"General administrative expenses":			
Annual appropriation	4,164,000	4,039,000	4,400,000
1959 appropriation available in 1958	6,795	−6,795	
Permanent appropriations:			
"Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)"	3,109	8,000	8,000
"Refunds and returns"		125,000	125,000
Total appropriation	87,061,854	115,361,305	127,177,000
Unappropriated balance carried forward	125,985,130	135,143,825	128,854,825

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

(Indefinite special fund)

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance brought forward	$164,558	$11,503	$21,003
Receipts	346,945	359,500	439,300
Covered into miscellaneous receipts	−500,000	−350,000	−430,000
Unappropriated balance carried forward	11,503	21,003	30,303

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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). Current operations are financed by water users' advances and are included in the Yuma projects office under the Operation and maintenance account.

Colorado River Dam Fund, Boulder Canyon Project

(Indefinite special fund)

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance brought forward	$1,975,225	$1,938,846	$1,610,796
Receipts	5,828,228	5,582,000	5,582,000
Return of loan from "Boulder City-municipal fund"			100,000
Unobligated balance returned to unappropriated receipts	16,026		
Total available for appropriation	7,819,479	7,520,846	7,292,796
Deduct—			
Loan to "Boulder City municipal fund"		100,000	
Annual appropriation:			
"Operation and maintenance"	2,078,650	2,015,000	2,050,000
1959 appropriation available in 1958	4,950	−4,950	
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"	3,197,033	3,200,000	3,200,000
Unappropriated balance carried forward	1,938,846	1,610,796	1,442,796

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 also available for annual appropriations for payment of expenses of operation and maintenance of the project (43 U. S. C. 617a).

Colorado River Development Fund

(Indefinite special fund)

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance brought forward	$11,286	$11,595	$11,895
Receipts	500,309	500,300	500,300
Total available for appropriation	511,595	511,895	512,195
Deduct annual appropriation for "General investigations"	500,000	500,000	500,000
Unappropriated balance carried forward	11,595	11,895	12,195

This fund is derived from revenues of the Boulder Canyon project, and is available for appropriation for General investigations (43 U. S. C. 618a).

Disposal of Coulee Dam Community

(Indefinite special fund)

Appropriated (est.) 1959, **$124,037** Estimate 1960, **$97,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activity:			
Expenses of disposal (total costs—obligations)	$74,037	$135,000	$97,000
Financing:			
Unobligated balance brought forward		−10,963	
Unobligated balance carried forward	10,963		
Appropriation (new obligational authority)	85,000	124,037	97,000

This fund is derived from the sale of Federal property in the town of Coulee Dam and the city of Grand Coulee and is available, directly or through the local units of government, for work in connection with the disposal of the Federal interest in the communities, for construction of sewage disposal facilities, including betterment work on the existing open drains and financial assistance after incorporation (71 Stat. 531).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	5	4	2
Number of employees at end of year	0	0	0
Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
01 Personal services: Permanent positions	$22,688	$20,000	$10,000
07 Other contractual services	7,487	13,000	11,500
Services performed by other agencies	30,811		
08 Supplies and materials	2,444	1,000	1,000
10 Lands and structures	7,236		
11 Grants, subsidies, and contributions	1,448	101,000	74,500
13 Refunds, awards, and indemnities	1,923		
Total obligations	74,037	135,000	97,000

Boulder City Municipal Fund

(Indefinite special fund)

Estimate 1960, **$270,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Expense of disposal (total costs—obligations)		$100,000	$170,000
Financing:			
Loan from "Colorado River dam fund, Boulder Canyon project"		−100,000	
Return of loan to "Colorado River dam fund, Boulder Canyon project"			100,000
Appropriation (new obligational authority)			270,000

This fund is derived from the sale of Federal property in Boulder City, Nev., now a part of the Boulder Canyon project, and is available for work in connection with the disposal of certain Federal property in the town, financial assistance to facilitate the establishment of a municipal corporation under the laws of the State of Nevada, and for other purposes (72 Stat. 1726).

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BUREAU OF RECLAMATION—Continued

Permanent authorizations—Continued

BOULDER CITY MUNICIPAL FUND—Continued

(Indefinite special fund)—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Full-time equivalent of all other positions		2	2
Average number of all employees		5	5
Number of employees at end of year		0	0
Average GS grade and salary		7.3 $6,140	7.4 $6,211
Average salary of ungraded positions		$5,226	$5,237
01 Personal services:			
Permanent positions		$14,205	$14,205
Positions other than permanent		10,795	10,795
Total personal services		25,000	25,000
02 Travel		1,000	1,000
03 Transportation of things		200	200
06 Printing and reproduction		100	100
07 Other contractual services		71,500	46,500
08 Supplies and materials		500	500
11 Grants, subsidies, and contributions		1,500	1,500
13 Refunds, awards, and indemnities			95,000
15 Taxes and assessments		200	200
Total obligations		100,000	170,000

OTHER BUREAU OF RECLAMATION PERMANENT APPROPRIATIONS

(Indefinite special funds unless otherwise indicated)

Appropriated (est.) 1959, **$3,937,000** Estimate 1960, **$3,937,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Colorado River dam fund, Boulder Canyon project, payment of interest on advances from the Treasury	$3,197,033	$3,200,000	$3,200,000
2. Colorado River dam fund, Boulder Canyon project, payments to States of Arizona and Nevada (definite special fund)	600,000	600,000	600,000
3. Operation, maintenance, and replacement of project works, North Platte project	13,789	56,210	
4. Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)	3,109	8,000	8,000
5. Refunds and returns (indefinite)	56,739	149,138	125,000
Total program (costs—obligations)	3,870,670	4,013,348	3,933,000
Financing:			
Unobligated balance brought forward	−153,685	−88,050	−11,702
Unobligated balance carried forward	88,050	11,702	15,702
New obligational authority	3,805,035	3,937,000	3,937,000
New obligational authority:			
"Colorado River dam fund, Boulder Canyon project, payment of interest on advances from the Treasury"	$3,197,033	$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)"	4,893	4,000	4,000
"Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)"	3,109	8,000	8,000
"Refunds and returns"		125,000	125,000
Appropriation	3,805,035	3,937,000	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 farm lands, sale or use of townsites, and sale or rental of surplus water (66 Stat. 755, sec. 4).

4. *Payments to the 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2	1	
Average number of all employees	1	1	
Number of employees at end of year	2	0	
Average GS grade and salary	7.2 $5,490	7.3 $6,140	
Average salary of ungraded positions	$4,941	$5,226	
01 Personal services:			
Permanent positions	$9,765	$7,235	
Other personal services	38	55	
Total personal services	9,803	7,290	
02 Travel	15	50	
03 Transportation of things	56	30	
04 Communication services	175	65	
05 Rents and utility services	103	40	
06 Printing and reproduction	590	230	
07 Other contractual services	4,050	15,760	$8,000
08 Supplies and materials	394	130	
09 Equipment	305	140	
10 Lands and structures	726	40,000	
11 Grants, subsidies, and contributions	600,681	600,475	600,000
13 Refunds, awards, and indemnities	56,739	149,138	125,000
14 Interest	3,197,033	3,200,000	3,200,000
Total obligations	3,870,670	4,013,348	3,933,000

Public enterprise funds:

CONTINUING FUND FOR EMERGENCY EXPENSES, FORT PECK PROJECT, MONTANA

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Operation and maintenance program:			
(a) Electric generation—hydraulic power	$405,674	$488,500	$575,400
(b) Transmission expense	393,717	451,200	434,124
(c) Accounting and collecting expense	23,632	15,500	16,000
(d) Administrative and general expense	85,916	9,800	89,600
(e) Property losses	2,406	2,406	2,406
(f) Replacement and depreciation	113,078	115,000	115,000
(g) Interest on investment	244,710	245,000	245,000
(h) Adjustment of prior year expense	−1,851		
(i) Property transferred out without charge	150,886		
Total operating costs	1,418,168	1,408,406	1,477,530
Unfunded adjustments to total operating costs:			
Property losses included above (−)	−2,406	−2,406	−2,406
Property transferred out without charge (−)	−150,886		
Replacement and depreciation included above (−)	−113,078	−115,000	−115,000
Interest on investment included above (−)	−244,710	−245,000	−245,000
Cost of purchase power and wheeling included above (−)	−141,251	−210,000	−250,000
Adjustment of prior year expense	1,851		
Total operating costs, funded	767,688	836,000	865,124

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Capital outlay: Construction work in progress	$487,789	$2,054,120	$2,796,876
Total program costs, funded	1,255,477	2,890,120	3,662,000
Relation of costs to obligation:			
Costs financed by obligations of other years, net (−)		−5,501	
Obligations incurred for costs of other years, net	101,164		140,000
Total program (obligations)	1,356,641	2,884,619	3,802,000
Financing:			
Amounts becoming available:			
Advanced from "Construction and rehabilitation"	450,000	1,999,810	2,902,000
Sale of electric energy	1,814,480	2,290,798	2,512,000
Total amounts becoming available	2,264,480	4,290,608	5,414,000
Unobligated balance brought forward	802,807	540,646	780,000
Total amounts available	3,067,287	4,831,254	6,194,000
Capital transfer (payment of profits to Treasury) (−)	−1,170,000	−1,166,635	−1,642,000
Unobligated balance carried forward	−540,646	−780,000	−750,000
Financing applied to program	1,356,641	2,884,619	3,802,000

This fund defrays the operating expenses of the generation and transmission of power from Fort Peck project, Corps of Engineers, Army, and emergency expenses to insure continuous operation (16 U. S. C. 833).

Budget program.—Operating costs, funded, will be $29,124 over the current year. The increase in capital outlay is related to continued construction of the Fort Peck-Dawson County 230-kilovolt transmission line.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Supplies and deferred charges	$250,835	$145,760	$133,458	$143,458
Unpaid undelivered orders	6,960	192,804	220,000	350,000
Prepayments		20,395		
Total selected resources at end of year	257,795	358,959	353,458	493,458
Selected resources at start of year (−)		−257,795	−358,959	−353,458
Costs financed from obligations of other years, net (−)			−5,501	
Obligations incurred for costs of other years, net		101,164		140,000

Financing.—The operation of the Fort Peck project power and transmission facilities are financed by this fund and capital outlays for transmission by advances from the appropriation Construction and rehabilitation. Capital outlays for the dam, reservoir, and powerplant are financed by Corps of Engineers, Army, appropriations. The accompanying statements consolidate the financing from the Continuing fund for emergency expenses, Fort Peck project, Montana and Construction and rehabilitation.

Operating results.—Net income is estimated at $1.6 million for 1960, an increase over prior years, resulting from increased power revenues. Earnings 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 $1.2 million in 1958 and are estimated at $1.2 million in 1959 and $1.6 million in 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Construction work in progress	$487,789	$2,054,120	$2,796,876
Expenses	767,688	836,000	865,124
Increase in selected working capital		166,030	110,000
Total gross expenditures	1,255,477	3,056,150	3,772,000
Receipts from operations (funds provided):			
Advanced from "Construction and rehabilitation"	450,000	1,999,810	2,902,000
Revenue: Sale of electric energy	1,814,480	2,290,798	2,512,000
Decrease in selected working capital	87,335		
Total receipts from operations	2,351,815	4,290,608	5,414,000
Budget expenditures	−1,096,338	−1,234,458	−1,642,000

Revenue, Expense, and Retained Earnings

Revenue:			
Sale of electricity	$1,814,480	$2,290,798	$2,512,000
Other (interchange of power and other items not requiring funds)	33,180	−6,798	530,000
Total revenue	1,847,660	2,284,000	3,042,000
Expense	767,688	836,000	865,124
Net operating income	1,079,972	1,448,000	2,176,876
Other expenses, nonfunded (−)	−501,444	−572,406	−612,406
Net income for the year	578,528	875,594	1,564,470
Analysis of retained earnings:			
Retained earnings, beginning of year	7,646,727	8,227,106	9,102,700
Adjustment of prior year expense, not affecting working capital	1,851		
Retained earnings, end of year	8,227,106	9,102,700	10,667,170

Financial Condition

Assets:			
Cash:			
Operating funds:			
Revolving fund	$432,177	$500,000	$500,000
Advances from "Construction and rehabilitation" appropriation	236,880	400,000	500,000
Deposit funds	198,647	200,000	200,000
Accounts receivable, net	80,040	100,000	100,000
Supplies and deferred charges	145,760	133,458	143,458
Prepayments	20,395		
Fixed assets, net	11,919,354	13,628,270	16,576,740
Total assets	13,033,253	14,961,728	18,020,198
Liabilities:			
Current	214,294	200,000	200,000
Government investment:			
Interest-bearing investment:			
Start of year	5,126,670	4,591,853	5,659,028
Advanced from "Construction and rehabilitation"	450,000	1,999,810	2,902,000
Donated assets to other agencies (−)	−150,886		
Repayment of investment to Treasury (−)	−1,170,000	−1,166,635	−1,642,000
Adjustment of prior year deposits to the Reclamation fund, special fund	91,817		
Net interest accrued due United States [1]	244,252	234,000	234,000
End of year	4,591,853	5,659,028	7,153,028
Retained earnings	8,227,106	9,102,700	10,667,170
Total Government investment	12,818,959	14,761,728	17,820,198

[1] The method used to compute the interest payment due the United States is 3 percent of the balance to be repaid at the end of the previous fiscal year of the interest-bearing allocation to commercial electric plant. This allocation is based on the cost of project works constructed by the Bureau of Reclamation and the Corps of Engineers, Army.

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$505,839	$432,177	$500,000	$500,000
Obligated balance, net:				
Current liabilities	181,853	214,294	200,000	200,000
Unpaid undelivered orders	6,960	192,804	220,000	350,000
Accounts receivable, net, and advance and deposit fund cash (−)	−485,781	−515,567	−700,000	−800,000
Total obligated balance	−296,968	−108,469	−280,000	−250,000
Unobligated balance	802,807	540,646	780,000	750,000

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BUREAU OF RECLAMATION—Continued

Public enterprise funds—Continued

CONTINUING FUND FOR EMERGENCY EXPENSES, FORT PECK PROJECT, MONTANA—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	53	55	55
Average number of all employees	53	55	55
Number of employees at end of year	52	55	55
Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
Average salary of ungraded positions	4,941	$5,226	$5,237
01 Personal services:			
Permanent positions	$267,537	$296,871	$298,932
Other personal services	8,803	9,944	11,468
Total personal services	276,340	306,815	310,400
02 Travel	20,899	20,080	21,065
03 Transportation of things	1,621	1,615	2,015
04 Communication services	3,739	4,025	4,025
05 Rents and utility services	3,363	3,415	3,415
06 Printing and reproduction	231	100	80
07 Other contractual services	145,296	230,802	183,860
Services performed by other agencies	337,007	245,000	320,000
Services included in "Construction and rehabilitation"	341,735	1,991,012	2,772,000
08 Supplies and materials	19,107	23,055	26,045
09 Equipment	9,607	18,050	15,040
11 Grants, subsidies, and contributions	14,665	16,180	16,755
13 Refunds, awards, and indemnities	541	600	600
15 Taxes and assessments	747	774	800
Subtotal	1,174,898	2,861,523	3,676,100
Deduct quarters and subsistence charges	4,100	4,100	4,100
Total accrued expenditures	1,170,798	2,857,423	3,672,000
Increase in unpaid undelivered orders	185,843	27,196	130,000
Total obligations	1,356,641	2,884,619	3,802,000

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), [$68,033,335] *$77,035,000*; to remain available until expended. (*Public Works Appropriation Act, 1959.*)

Appropriation 1959, **$68,033,335** Estimate 1960, **$77,035,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Colorado River storage project:			
(*a*) Flaming Gorge unit, Utah	$943,471	$10,430,154	$13,394,464
(*b*) Glen Canyon unit, Arizona	31,344,132	37,241,368	48,531,573
(*c*) Navajo unit, New Mexico	944,864	7,942,080	9,997,000
(*d*) Transmission division	72,120	319,004	746,502
(*e*) Advance planning	1,143,790	1,217,316	845,828
2. Participating projects:			
(*a*) Paonia project, Colorado		3,190,729	3,205,000
(*b*) Central Utah project, Vernal unit		1,479,285	1,908,321
Total program costs [1]	34,448,377	61,819,936	78,628,688
Unfunded adjustments to total program costs:			
Interest on investment included above (−)	−417,820	−1,211,326	−2,507,185
Property transferred in (−) without charge	−78,501	−2,724,629	−52,828
Deferred credits	−4,852,290	4,852,290	
Total program costs, funded	29,099,766	62,736,271	76,068,675
Relation of costs to obligations: Obligations incurred for costs of other years, net	7,570,184	6,608,138	1,031,375
Total program (obligations)	36,669,950	69,344,409	77,100,050
Financing:			
Amounts becoming available:			
Appropriation	35,142,000	68,033,335	77,035,000
Contributions	886,420	65,050	65,050
Nonoperating revenue	3,566	3,000	3,000
Recovery of prior year obligations	20,000		
Total amounts becoming available	36,051,986	68,101,385	77,103,050
Unobligated balance brought forward	1,867,554	1,246,024	
Total amounts available	37,919,540	69,347,409	77,103,050
Capital transfer (payment of profits to Treasury) (−)	−3,566	−3,000	−3,000
Unobligated balance carried forward	−1,246,024		
Financing applied to program	36,669,950	69,344,409	77,100,050

[1] Includes contributions from city, State, and Federal governmental units as follows: 1958 actual, $1,776,612; 1959 estimate, $65,050; 1960 estimate, $65,050.

The fund defrays the cost of construction, operation, and maintenance of the Colorado River storage project and participating projects, a comprehensive basin wide development which will make possible the control and utilization of the water resources of the Upper Colorado River Basin (43 U. S. C. 620–620o). 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—1. *Colorado River storage project*—(*a*) *Flaming Gorge unit.*—The diversion tunnel will be completed and concrete placement in the dam and powerhouse will be underway. Reservoir clearing operations and highway relocation will be started. Overall the unit will be 44% completed by the end of 1960.

(*b*) *Glen Canyon unit.*—Concrete placement in the dam and powerplant will be continued and procurement of major powerplant equipment will be initiated. The unit will be over 40% completed by the close of 1960.

(*c*) *Navajo unit.*—Construction will be continued on the unit and work will be over 46% completed by the end of 1960.

(*d*) *Transmission division.*—Investigations, final planning, and preparation of specifications will be continued on the Glen Canyon-Flaming Gorge transmission line. Studies will be continued on other transmission lines.

(*e*) *Advance planning.*—Detailed studies of 1 storage unit and 2 participating projects will be completed. Detailed studies of 4 other participating projects will be continued.

2. *Participating projects*—(*a*) *Paonia project.*—Work on Paonia Dam and Reservoir, including relocations, will continue.

(*b*) *Central Utah project, Vernal unit.*—Work on the unit will be continued, principally on Stanaker Dam.

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 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Service facilities	$1,205,420	$9,167,240	$15,868,523	$14,986,523
Supplies, deferred charges, etc	48,346	894,013	260,204	458,579
Unpaid undelivered orders	3,228,385	2,003,939	2,713,454	4,445,454
Total selected recources at end of year	4,482,151	12,065,192	18,842,181	19,890,556
Selected resources at start of year (−)		−4,482,151	−12,065,192	−18,842,181
Increase or decrease (−) in selected resources		7,583,041	6,776,989	1,048,375
Adjustment due to recovery of prior year obligations		20,000		
Property or services transferred in (−) without charge		−32,857	−168,851	−17,000
Obligations incurred for costs of other years, net		7,570,184	6,608,138	1,031,375

Financing.—The cost of the authorized storage units and participating projects is estimated to be $1,055 million of which $116.2 million has been appropriated. The 1960 appropriation request of $77 million will leave a

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balance to complete the authorized work of $861.8 million.

Operating results.—During the construction period, only minor income is realized and expense is capitalized, so the fund will show neither income nor expense for 1960.

Net effect of budget expenditures will be maintained at $65 million in 1960.

The total investment of the Government in the fund is expected to reach $204.5 million by the end of 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Construction work in progress	$29,099,766	$62,736,271	$76,068,675
Service facilities	7,928,963	6,532,432	
Total gross expenditures	37,028,729	69,268,703	76,068,675
Receipts from operations (funds provided):			
Realization of assets:			
Service facilities			899,000
Contributions	886,420	65,050	65,050
Nonoperating revenue	3,566	3,000	3,000
Decrease in selected working capital	3,125,736	4,200,653	10,101,625
Total receipts from operations	4,015,722	4,268,703	11,068,675
Budget expenditures	33,013,007	65,000,000	65,000,000

Revenue, Expense, and Retained Earnings

Revenue			
Expense:			
Interest, Treasury	$417,820	$1,211,326	$2,507,185
Less interest charged to construction	417,820	1,211,326	2,507,185
Net income for the year			
Nonoperating revenue: Proceeds from lease of grazing lands (net income)	3,566	3,000	3,000
Analysis of retained earnings: Payments of profits to Treasury (−)	−3,566	−3,000	−3,000
Retained earnings, end of year			

Financial Condition

Assets:			
Cash:			
Operating funds	$6,995,639	$10,025,974	$22,057,974
Trust and deposit funds	2,511,762	5,574,146	8,755,744
Accounts receivable	78,545	42,857	42,857
Service facilities	9,167,240	15,868,523	14,986,523
Supplies, deferred charges, etc.	894,013	260,204	458,579
Fixed assets (net)	44,085,072	105,874,768	184,471,056
Quality of water studies	40,735	70,975	103,375
Total assets	63,773,006	137,717,447	230,876,108
Liabilities:			
Current	6,335,983	12,929,523	26,411,121
Deferred credits	4,852,290		
Total liabilities	11,188,273	12,929,523	26,411,121
Government investment:			
Interest-bearing investment:			
Start of year	14,583,363	50,254,541	122,392,682
Appropriation	35,142,000	68,033,335	77,035,000
Donated assets, net	111,358	2,893,480	69,828
Interest on investment (capitalized)	417,820	1,211,326	2,507,185
End of year	50,254,541	122,392,682	202,004,695
Non-interest-bearing investment:			
Start of year	1,443,772	2,330,192	2,395,242
Contributions	886,420	65,050	65,050
End of year	2,330,192	2,395,242	2,460,292
Total Government investment	52,584,733	124,787,924	204,464,987

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$4,870,212	$6,995,639	$10,025,974	$22,057,974
Obligated balance, net:				
Current liabilities	1,047,901	6,335,983	12,929,523	26,411,121
Unpaid undelivered orders	3,228,385	2,003,939	2,713,454	4,445,454
Accounts receivable, net, and trust and deposit fund cash (−)	−1,273,628	−2,590,307	−5,617,003	−8,798,601
Total obligated balance	3,002,658	5,749,615	10,025,974	22,057,974
Unobligated balance	1,867,554	1,246,024		

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	891	1,220	1,209
	Full-time equivalent of all other positions	48	44	18
	Average number of all employees	788	1,120	1,225
	Number of employees at end of year	924	1,091	1,242
	Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
	Average salary of ungraded positions	$4,941	$5,226	$5,237
01	Personal services:			
	Permanent positions	$4,408,981	$6,593,405	$7,312,601
	Positions other than permanent	242,906	208,689	78,299
	Other personal services	97,946	151,101	195,868
	Total personal services	4,749,833	6,953,195	7,586,768
02	Travel	220,102	357,287	343,685
03	Transportation of things	472,971	423,471	441,359
04	Communication services	77,838	91,163	96,560
05	Rents and utility services	90,694	163,425	138,458
06	Printing and reproduction	130,460	81,820	76,300
07	Other contractual services	313,711	1,486,270	1,418,383
	Services performed by other agencies	137,070	182,856	64,941
	Services included in—			
	Reclamation trust funds	1,335,000		
	Public lands highways (liquidation of contract authorization), Bureau of Public Roads, Department of Commerce	406,427		
08	Supplies and materials	398,944	1,056,745	9,145,659
09	Equipment	476,540	658,484	532,449
10	Lands and structures	28,830,769	56,874,698	55,257,764
11	Grants, subsidies, and contributions	289,086	426,091	485,979
13	Refunds, awards, and indemnities	1,089	5,054	6,069
15	Taxes and assessments	6,839	8,535	6,276
	Subtotal	37,937,373	68,769,094	75,600,650
	Deduct quarters and subsistence charges	42,977	134,200	232,600
	Total accrued expenditures	37,894,396	68,634,894	75,368,050
	Increase or decrease (−) in unpaid undelivered orders	−1,224,446	709,515	1,732,000
	Total obligations	36,669,950	69,344,409	77,100,050

Advances and Reimbursements

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General investigations	$11,732	$11,600	$1,400
2. Construction and rehabilitation	686,881	344,450	138,000
3. Operation and maintenance	132,077	96,071	11,100
4. General administrative expenses	20,714	14,100	14,100
5. Upper Colorado River Basin fund	62,008	287,620	368,620
6. Interagency committee on water resources	850		
Total obligations	914,262	753,841	533,220
Financing:			
Unobligated balance brought forward	850		
Advances and reimbursements from—			
Other accounts	385,041	305,791	158,020
Non-Federal sources (40 U. S. C. 481 (c), 43 U. S. C. 620–620o)	528,371	448,050	375,200
Total financing	914,262	753,841	533,220

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BUREAU OF RECLAMATION—Continued

Public enterprise funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	31	22	14
Average number of all employees	34	21	15
Number of employees at end of year	24	16	10
Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211
Average salary of ungraded positions	$4,941	$5,226	$5,237
01 Personal services:			
Permanent positions	$245,424	$132,865	$107,314
Positions other than permanent	568		
Other personal services	2,646	973	1,124
Total personal services	248,638	133,838	108,438
02 Travel	41,237	7,325	6,700
03 Transportation of things	1,175	100	100
04 Communication services	468	230	250
05 Rents and utility services	1,340	9,250	20,900
06 Printing and reproduction	756	100	100
07 Other contractual services	330,434	274,722	140,932
Services performed by other agencies	4,995	14,000	14,000
08 Supplies and materials	32,119	203,451	210,160
09 Equipment	59,822	75,260	25,120
10 Lands and structures	181,335	27,700	
11 Grants, subsidies, and contributions	11,803	7,865	6,520
13 Refunds, awards, and indemnities	140		
Total obligations	914,262	753,841	533,220

Proposed for later transmission:

LOAN PROGRAM

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Small projects: Loans (total program costs)		$1,990,000	$2,870,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−2,870,000
Obligations incurred for costs of other years (unpaid undelivered orders), net		2,870,000	
Total program (obligations)		4,860,000	
Financing:			
Proposed supplemental appropriation		4,860,000	

Under existing legislation, 1959.—An amount of $4,860,000 is anticipated as a 1959 supplemental for loans to non-Federal agencies for construction and rehabilitation of small projects as authorized by law. The funds will be for loans to Roosevelt Water Conservation District, Arizona, $2,780,000; and Goleta County Water District,California, $2,080,000.

2. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1959 is $2,870,000.

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] *201.* 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 under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. [203] *202.* 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] *203.* 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] *204.* No part of any funds made available by this Act to the Southwestern Power Administration may be made available to any other agency, bureau, or office for any purposes other than for services rendered pursuant to law to the Southwestern Power Administration. (*Public Works Appropriation Act, 1959.*)

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, *and other areas as authorized by law (72 Stat. 837)*; 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; *control the interstate shipment of contraband oil as required by law (15 U. S. C. 715);* and publish and disseminate data relative to the foregoing activities; [$36,915,000] *$42,517,600,* of which [$6,950,000] *$7,450,000* 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. (*43 U. S. C. 31; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, [a] **$38,415,000** Estimate 1960, [b] **$42,517,600**

[a] Includes $1,500,000 appropriated in Supplemental Appropriation Act, 1959.

[b] Includes $217,600 for activities previously carried under "Salaries and expenses," Office of Oil and Gas. The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Topographic surveys and mapping	$14,242,406	$14,584,000	$14,757,000
2. Geologic and mineral resource surveys and mapping	10,676,445	10,975,000	11,425,000
3. Water resources investigations	10,516,048	11,519,000	12,130,000
4. Soil and moisture conservation	165,498	171,000	175,000
5. Conservation of lands and minerals	2,412,902	2,523,600	2,749,600
6. General administration	1,316,928	1,277,000	1,281,000
(a) Special-purpose buildings	1,139,613		
Total direct obligations	40,469,840	41,049,600	42,517,600
Reimbursable obligations:			
1. Topographic surveys and mapping:			
(a) States, counties, and municipalities	1,755,000	1,800,000	1,800,000
(b) Miscellaneous non-Federal sources	204,291	200,000	200,000
(c) Bureau of Reclamation	1,168,245	810,000	1,128,000
(d) Department of the Air Force	491,736		
(e) Department of the Army	307,155	1,100,000	850,000
(f) Miscellaneous Federal agencies	138,885	195,000	225,000
2. Geologic and mineral resource surveys and mapping:			
(a) States, counties, and municipalities	302,059	325,000	306,000
(b) Miscellaneous non-Federal sources	4,098	12,000	12,000
(c) Office of Minerals Exploration	504,364	303,000	160,000
(d) Department of the Air Force	138,609	128,000	205,000
(e) Department of the Army	1,223,778	1,430,000	1,340,000
(f) Atomic Energy Commission	1,207,233	2,290,000	1,195,000
(g) Government Printing Office	115,441	125,000	125,000
(h) International Cooperation Administration	866,670	983,000	1,060,000
(i) Miscellaneous Federal agencies	255,996	274,000	217,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Reimbursable obligations—Continued			
3. Water resources investigations:			
(*a*) States, counties, and municipalities	$4,882,616	$5,970,000	$6,470,000
(*b*) Permittees and licensees of the Federal Power Commission	223,648	250,000	250,000
(*c*) Miscellaneous non-Federal sources	42,874	70,000	70,000
(*d*) Bureau of Reclamation	1,104,754	898,000	1,061,000
(*e*) Department of Agriculture	362,156	289,000	281,000
(*f*) Department of the Army	1,527,753	1,655,000	1,655,000
(*g*) Department of State	141,860	123,000	123,500
(*h*) Atomic Energy Commission	339,901	404,000	435,000
(*i*) International Cooperation Administration	376,823	460,000	445,000
(*j*) Tennessee Valley Authority	97,210	104,000	105,000
(*k*) Miscellaneous Federal agencies	339,140	442,000	423,500
5. Conservation of lands and minerals:			
(*a*) Miscellaneous non-Federal sources	2,307	2,000	2,000
(*b*) Miscellaneous Federal agencies	44,280	48,000	48,000
Total reimbursable obligations	18,168,882	20,690,000	20,192,000
Total obligations	58,638,722	61,739,600	62,709,600
Financing:			
Comparative transfers from (−) other accounts	−2,959,776	−217,600	
Unobligated balance brought forward	−475,000	−475,000	−400,000
Advances and reimbursements from—			
Other accounts	−10,751,989	−12,061,000	−11,082,000
Non-Federal sources	−7,416,893	−8,629,000	−9,110,000
Unobligated balance carried forward	475,000	400,000	400,000
Unobligated balance no longer available	343,036	75,000	
New obligational authority	37,853,100	40,832,000	42,517,600
New obligational authority:			
Appropriation	$37,588,100	$38,415,000	$42,517,600
Transferred to "Trust Territory of the Pacific Islands," Office of Territories (72 Stat. 54)	−150,000		
Appropriation (adjusted)	37,438,100	38,415,000	42,517,600
Reappropriation	415,000		
Proposed supplemental due to pay increases		2,417,000	

The Geological Survey provides basic scientific data concerning the water, land, and mineral resources of the Nation, supervises the development and production of minerals and mineral fuels on leased Federal and Indian lands, and enforces the provisions of the Connally Hot Oil Act.

1. *Topographic surveys and mapping.*—Topographic maps portray the elevation, shape, and position of the natural and manmade features of the earth's surface; provide engineering information for (*a*) mineral, water, and other natural resources investigations, (*b*) engineering and industrial development, and (*c*) military and civil defense. This program will provide maps for those areas where investigation and development are most imminent, and areas to which the Department of Defense has assigned a high priority. In 1960 standard maps for an estimated 125,000 square miles of the United States and its Territories will be compiled, compared with 120,000 in 1959, 127,000 in 1958, and 122,000 in 1957.

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 materials, and (*c*) develop new concepts and techniques needed in the search for hidden deposits of useful minerals. 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. Geologic mapping and other research in geologic processes, in geochemistry, and in geophysics, are planned under the long-range minerals program.

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. The 1960 program continues to emphasize studies which will develop a more thorough understanding of the principles and physical processes of water's occurrence and movement. 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. The Federal Petroleum Board conducts investigations in support of State conservation laws to prevent the interstate shipment of contraband oil. In the current year approximately 187,000 leased properties, oil wells, and mines are being supervised. These leases are expected to produce oil, gas, and other minerals, valued at $910 million, and render royalty returns of about $100 million. The States which produce the minerals receive 37½% of the royalties; the Reclamation fund, 52½%; and 10% is retained in the Treasury. In 1960 it is anticipated that the workload will aggregate 205,000 leases, wells, and mines, and the production and royalty values will reach $1 billion and $110 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. In 1960 it is expected that some 110,000 technical classification reports will be completed.

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 reim-

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GEOLOGICAL SURVEY—Continued

Current authorizations—Continued

SURVEYS, INVESTIGATIONS, AND RESEARCH—Continued

bursable work pending collection from cooperating agencies. This advance is not available for obligation. A supplemental appropriation is anticipated under Proposed for later transmission to provide for pay increases for engineers and scientists.

Object Classification

	1958 actual	1959 estimate	1960 estimate
GEOLOGICAL SURVEY			
Total number of permanent positions	6,764	6,765	6,840
Full-time equivalent of all other positions	667	680	670
Average number of all employees	7,228	7,135	7,248
Number of employees at end of year	7,701	7,755	7,875
Average GS grade and salary	7.8 $5,623	7.8 $6,447	7.9 $6,507
Personal service obligations:			
Permanent positions	$38,125,964	$41,597,000	$42,735,000
Positions other than permanent	2,280,168	2,615,000	2,590,000
Other personal services	606,881	520,000	640,000
Total personal service obligations	41,013,013	44,732,000	45,965,000
Direct obligations:			
01 Personal services	28,102,570	29,632,000	31,325,000
02 Travel	1,983,474	2,010,000	2,075,000
03 Transportation of things	250,670	290,000	255,000
04 Communication services	361,601	390,000	390,000
05 Rents and utility services	567,742	620,000	625,000
06 Printing and reproduction	660,013	650,000	625,000
07 Other contractual services	1,375,165	1,300,000	1,330,000
Services performed by other agencies	400,283	415,000	420,000
08 Supplies and materials	2,163,348	2,120,000	2,110,000
09 Equipment	1,695,553	1,800,000	1,425,000
11 Grants, subsidies, and contributions	1,724,089	1,780,000	1,890,000
13 Refunds, awards, and indemnities	23,567	20,000	25,000
15 Taxes and assessments	36,690	40,000	40,000
Subtotal	39,344,765	41,067,000	42,535,000
Deduct quarters and subsistence charges	14,538	17,400	17,400
Total direct obligations	39,330,227	41,049,600	42,517,600
Reimbursable obligations:			
01 Personal services	12,910,443	15,100,000	14,640,000
02 Travel	1,074,778	1,135,000	1,150,000
03 Transportation of things	159,066	165,000	125,000
04 Communication services	152,263	160,000	140,000
05 Rents and utility services	262,793	255,000	235,000
06 Printing and reproduction	152,071	205,000	150,000
07 Other contractual services	642,006	545,000	660,000
Services performed by other agencies	228,719	300,000	305,000
08 Supplies and materials	1,001,801	993,000	976,000
09 Equipment	735,813	730,000	715,000
11 Grants, subsidies, and contributions	821,068	1,070,000	1,065,000
13 Refunds, awards, and indemnities	15,140	15,000	15,000
15 Taxes and assessments	16,013	20,000	20,000
Subtotal	18,171,974	20,693,000	20,196,000
Deduct quarters and subsistence charges	3,092	3,000	4,000
Total, reimbursable obligations	18,168,882	20,690,000	20,192,000
Total, Geological Survey	57,499,109	61,739,600	62,709,600
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction	74		
07 Other contractual services	10,125		
08 Supplies and materials	10		
10 Lands and structures	1,129,404		
Total, General Services Administration	1,139,613		
Total obligations	58,638,722	61,739,600	62,709,600

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed [ninety-two] *fifty-one* passenger motor vehicles, 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. (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

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, Department of Agriculture.
"Construction of Indian health facilities," Public Health Service, Department of Health, Education, and Welfare.
"Research, development, test, and evaluation, Navy."
"American sections, International Commission," Department of State.
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.

Permanent authorizations:

PAYMENT FROM PROCEEDS, SALE OF WATER, MINERAL LEASING ACT OF 1920, SEC. 40 (D)

(Indefinite special fund)

Appropriated (estimate) 1959, **$600** Estimate 1960, **$600**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought foward	−$10,495	−$10,991	−$11,591
Unobligated balance carried forward	10,991	11,591	12,191
Appropriation (new obligational authority)	496	600	600

When lessees or operators drilling for oil and gas on public lands strike water, water wells may be 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 1960.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Topographic surveys and mapping	$491,736		
2. Geologic and mineral resource surveys and mapping	5,308,351	$4,004,500	$2,767,000
3. Water resources investigations	2,080,736	2,451,266	2,414,000
5. Conservation of lands and minerals	42,287	45,000	45,000
Total obligations	7,923,110	6,500,766	5,226,000
Financing:			
Unobligated balance brought forward	28,641	34,852	
Advances and reimbursements from other accounts	7,950,297	6,465,914	5,226,000
Unobligated balance carried forward	−34,852		
Unobligated balance no longer available	−20,976		
Total financing	7,923,110	6,500,766	5,226,000

Object Classification

07 Other contractual services	$7,923,110	$6,500,766	$5,226,000

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Proposed for later transmission:

SURVEYS, INVESTIGATIONS, AND RESEARCH

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Topographic surveys and mapping		$173,000	
2. Geologic and mineral resource surveys and mapping		450,000	
3. Water resources investigations		111,000	
4. Soil and moisture conservation		4,000	
5. Conservation of lands and minerals		76,000	
6. General administration		4,000	
Total obligations		818,000	
Financing:			
Proposed supplemental appropriation		818,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to finance pay raises for engineers and scientists.

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; [$18,339,000] *$21,277,000. (30 U. S. C. 1–11; 50 U. S. C. 161–166; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959,[a] **$19,589,000** Estimate 1960, **$21,277,000**

[a] Includes $1,250,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Bituminous coal	$5,929,714	$6,110,000	$6,216,000
2. Anthracite coal	816,168	930,000	938,000
3. Petroleum, natural gas, and oil shale	2,398,866	2,599,000	2,663,000
4. Ferrous metals	3,229,131	3,630,330	3,683,000
5. Nonferrous metals	4,304,976	5,222,982	5,307,000
6. Nonmetallic minerals	1,931,827	2,093,000	2,129,000
7. Foreign mineral activities	269,795	341,000	341,000
Total program costs [1]	18,880,477	20,926,312	21,277,000
Unfunded adjustment to total program costs: Property or services transferred out without charge, net	27,236		
Total program costs, funded	18,907,713	20,926,312	21,277,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−53,002	
Obligations incurred for costs of other years, net	61,665		
Total program (obligations)	18,969,378	20,873,310	21,277,000
Financing:			
1959 appropriation available in 1958	−53,690	53,690	
Unobligated balance no longer available	13,495		
New obligational authority	18,929,183	20,927,000	21,277,000
New obligational authority:			
Appropriation	$19,275,183	$19,589,000	$21,277,000
Transferred to "Trust Territory of the Pacific Islands," Office of Territories (72 Stat. 54)	−346,000		
Appropriation (adjusted)	18,929,183	19,589,000	21,277,000
Proposed supplemental due to pay increases		1,338,000	

[1] Includes capital outlay as follows: 1958, $1,447,946; 1959, $1,372,000; 1960, $1,340,000.

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 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

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BUREAU OF MINES—Continued

Current authorizations—Continued

CONSERVATION AND DEVELOPMENT OF MINERAL RESOURCES—Con.

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 adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$766,818	$640,780	$675,000	$675,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,227,019	1,301,139	1,277,074	1,277,074
Advances (payments for goods and services on order not yet received)		63,157		
Total selected resources at end of year	1,993,837	2,005,076	1,952,074	1,952,074
Selected resources at start of year (−)		−1,993,837	−2,005,076	−1,952,074
Adjustment of selected resources reported at start of year		50,426		
Costs financed from obligations of other years, net (−)			−53,002	
Obligations incurred for costs of other years, net		61,665		

A supplemental appropriation for 1959 is anticipated under Proposed for later transmission to provide for pay increases for engineers and scientists.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2,278	2,465	2,465
Full-time equivalent of all other positions	92	86	86
Average number of all employees	2,196	2,367	2,407
Number of employees at end of year	2,442	2,558	2,560
Average GS grade and salary	7.9 $5,908	7.9 $6,561	7.9 $6,590
Average salary of ungraded positions	$4,766	$5,044	$5,145
01 Personal services:			
Permanent positions	$12,673,874	$14,533,000	$14,842,000
Positions other than permanent	481,648	466,000	466,000
Other personal services	196,487	219,000	260,000
Total personal services	13,352,009	15,218,000	15,568,000
02 Travel	385,410	455,000	455,000
03 Transportation of things	61,272	64,000	62,000
04 Communication services	163,166	199,000	200,000
05 Rents and utility services	319,823	321,000	321,000
06 Printing and reproduction	339,075	284,000	284,000
07 Other contractual services	680,679	686,000	702,000
08 Supplies and materials	1,306,458	1,366,000	1,362,000
09 Equipment	1,438,539	1,332,000	1,300,000
10 Lands and structures	41,030	40,000	40,000
11 Grants, subsidies, and contributions	799,255	935,000	957,000
13 Refunds, awards, and indemnities	17,748	15,000	15,000
15 Taxes and assessments	14,067	15,000	14,000
1959 program obligated in 1958	53,690	−53,690	
Subtotal	18,972,221	20,876,310	21,280,000
Deduct quarters and subsistence charges	2,843	3,000	3,000
Total obligations	18,969,378	20,873,310	21,277,000

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] *$6,387,000.* (*30 U. S. C. 1–11; 66 Stat. 692; 68 Stat. 1009; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$5,900,000** Estimate 1960, **$6,387,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Inspections, investigations, and rescue work	$5,658,899	$6,063,000	$6,063,000
2. Control of fires in coal deposits	315,741	324,000	324,000
Total program costs	5,974,640	6,387,000	6,387,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−32,500	
Obligations incurred for costs of other years, net	140,849		
Total program (obligations)	6,115,489	6,354,500	6,387,000
Financing:			
1959 appropriation available in 1958	−32,500	32,500	
Unobligated balance no longer available	13,220		
New obligational authority	6,096,209	6,387,000	6,387,000
New obligational authority:			
Appropriation	$6,096,209	$5,900,000	$6,387,000
Proposed supplemental due to pay increases		487,000	

1. *Inspections, investigations, and rescue work.*—The objectives for 1960 are (a) to inspect, at least once annually, every active coal mine regularly employing more than 14 men underground, to take action to bring about 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 control of overburden, and equipment is tested for use in mines and plants where explosive atmospheres may be encountered. The Bureau also conducts field and laboratory studies on ventilation of mines, methods of allaying mineral dusts, prevention of dust accumulations, effective use of rock dust to prevent widespread coal-dust explosions, and safe blasting practices.

SUMMARY OF COAL-MINE INSPECTIONS

[Calendar years]

	1956 actual	*1957 actual*	*1958 estimate*	*1959 estimate*
Active	9,458	10,879	11,000	11,000
Individual mines inspected	7,575	7,915	9,000	9,000
Mine inspections	10,754	11,012	11,000	11,000

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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 adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$186,375	$298,219	$270,771	$270,771
Advances (payments for goods and services on order not yet delivered)	.....	5,052	.....	.....
Total selected resources	186,375	303,271	270,771	270,771
Selected resources at start of year (−)	.....	−186,375	−303,271	−270,771
Adjustment of selected resources reported at start of year	.....	23,953	.....	.....
Costs financed from obligations of other years, net (−)	.....	.....	−32,500	.....
Obligations incurred for costs of other years, net	.....	140,849	.....	.....

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	801	807	807
Full-time equivalent of all other positions	5	5	6
Average number of all employees	762	774	773
Number of employees at end of year	817	815	815
Average GS grade and salary	7.9 $5,908	7.9 $6,561	7.9 $6,590
Average salary of ungraded positions	$4,766	$5,044	$5,145
01 Personal services:			
Permanent positions	$4,584,275	$4,878,000	$4,882,000
Positions other than permanent	20,082	23,000	23,000
Other personal services	30,625	35,000	56,000
Total personal services	4,634,982	4,936,000	4,961,000
02 Travel	266,055	267,000	267,000
03 Transportation of things	19,039	19,000	19,000
04 Communication services	43,104	53,000	53,000
05 Rents and utility services	10,867	17,000	17,000
06 Printing and reproduction	30,517	22,000	22,000
07 Other contractual services	311,988	298,000	291,000
08 Supplies and materials	200,241	213,000	205,000
09 Equipment	273,183	240,000	230,000
10 Lands and structures	1,451	1,000	1,000
11 Grants, subsidies, and contributions	282,542	312,000	312,000
13 Refunds, awards, and indemnities	7,168	7,000	7,000
15 Taxes and assessments	1,852	2,000	2,000
1959 program obligated in 1958	32,500	−32,500	.....
Total obligations	6,115,489	6,354,500	6,387,000

General Administrative Expenses

For expenses necessary for general administration of the Bureau of Mines, including such expenses in the regional offices, [$1,095,000] *$1,197,000. (30 U. S. C. 1–11; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$1,095,000** Estimate 1960, **$1,197,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General administrative expenses (total program costs)	$1,121,135	$1,197,000	$1,197,000
2. Relation of costs to obligations: Obligations incurred for costs of other years, net	11,283	.....	.....
Total program (obligations)	1,132,418	1,197,000	1,197,000
Financing:			
Unobligated balance no longer available	651	.....	.....
New obligational authority	1,133,069	1,197,000	1,197,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$1,095,000	$1,095,000	$1,197,000
Transferred from "Operation and maintenance," Southwestern Power Administration (72 Stat. 243)	38,069	.....	.....
Appropriation (adjusted)	1,133,069	1,095,000	1,197,000
Proposed supplemental due to pay increases	.....	102,000	.....

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 adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$3,487	.....	.....	.....
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	28,573	$39,789	$40,480	$40,480
Advances (payments for goods and services on order not yet delivered)	.....	691	.....	.....
Total selected resources at end of year	32,060	40,480	40,480	40,480
Selected resources at start of year (−)	.....	−32,060	−40,480	−40,480
Adjustment of selected resources reported at start of year	.....	2,863	.....	.....
Obligations incurred for costs of other years, net	.....	11,283	.....	.....

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	156	158	158
Full-time equivalent of all other positions	5	5	3
Average number of all employees	158	161	159
Number of employees at end of year	169	169	169
Average GS grade and salary	7.9 $5,908	7.9 $6,561	7.9 $6,590
Average salary of ungraded positions	$4,766	$5,044	$5,145
01 Personal services:			
Permanent positions	$878,138	$959,000	$968,000
Positions other than permanent	14,402	17,500	13,000
Other personal services	6,417	4,500	8,000
Total personal services	898,957	981,000	989,000
02 Travel	50,913	50,000	48,000
03 Transportation of things	1,553	1,000	1,000
04 Communication services	12,178	18,000	17,000
05 Rents and utility services	2,051	2,000	2,000
06 Printing and reproduction	17,908	15,000	13,000
07 Other contractual services	17,008	18,000	17,000
08 Supplies and materials	32,275	19,500	18,500
09 Equipment	44,459	26,000	26,000
11 Grants, subsidies, and contributions	51,303	62,000	62,000
13 Refunds, awards, and indemnities	3,278	4,000	3,000
15 Taxes and assessments	535	500	500
Total obligations	1,132,418	1,197,000	1,197,000

[Construction]

[For the construction and improvement of facilities under the jurisdiction of the Bureau of Mines, to remain available until expended, $1,719,000.] *(50 U. S. C. 161; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, [a] **$12,624,000**

[a] Includes $10,905,000 appropriated in Supplemental Appropriation Act, 1959.

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BUREAU OF MINES—Continued

Current authorizations—Continued

[CONSTRUCTION]—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1960	Appropriation required to complete
Program by activities:									
1. Laboratory facilities	$1,995,643	$106,087	$23,802	$1,546,754	$319,000	$319,000			
2. Helium facilities	16,762,079	4,398,922	263,941	10,074,216	2,025,000	2,025,000			
Total program costs	18,757,722	4,505,009	287,743	11,620,970	2,344,000	2,344,000			
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)			−100,551		−2,044,000				
Obligations incurred for costs of other years, net				1,977,103					
Total program (obligations)			187,192	13,598,073	300,000				
Financing:									
Unobligated balance brought forward			−1,243,835	−1,274,073	−300,000				
Recovery of prior year obligations			−197,059						
Unobligated balance carried forward			1,274,073	300,000					
Unobligated balance no longer available			2,629						
Appropriation (new obligational authority)			23,000	12,624,000					

1. *Laboratory facilities.*—Funds previously appropriated will be used for the construction of a metallurgical and mining research facility at Minneapolis, Minn., and for the preparation of plans and specifications of an additional research facility at the Bartlesville, Okla., petroleum experiment station. No new funds are requested for 1960.

2. *Helium facilities.*—Funds previously appropriated will be used to complete the construction of helium production facilities.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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)	$176,673	$66,897	$2,044,000	
Selected resources at start of year		−176,673	−66,897	−$2,044,000
Adjustment of selected resources reported at start of year		9,225		
Cost financed from obligations of other years, net (−)		−100,551		−2,044,000
Obligations incurred for costs of other years, net			1,977,103	

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		1		14		20
Full-time equivalent of all other positions		1		17		6
Average number of all employees		2		30		23
Number of employees at end of year		0		34		0
Average GS grade and salary		7.9	$5,908	7.9	$6,561	7.9 $6,590
Average salary of ungraded positions			$4,766		$5,044	$5,145
01	Personal services:					
	Permanent positions		$6,287		$69,000	$90,000
	Positions other than permanent		2,213		88,500	29,000
	Other personal services		9,275		4,500	3,000
	Total personal services		17,775		162,000	122,000
02	Travel		357		23,000	7,500
03	Transportation of things		525		44,000	15,000
04	Communication services		115		10,000	3,500
05	Rents and utility services		721		2,000	500
06	Printing and reproduction		2		6,000	2,000
07	Other contractual services		126,385		254,073	
08	Supplies and materials		14,334		384,000	142,000
09	Equipment		623		450,000	
10	Lands and structures		23,000		12,253,000	
11	Grants, subsidies, and contributions		351		10,000	7,500
15	Taxes and assessments		3,004			
	Total obligations		187,192		13,598,073	300,000

DRAINAGE OF ANTHRACITE MINES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Contribution to the Commonwealth of Pennsylvania (total program costs, funded)	$813,960	$2,500,000	$4,000,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders) net	538,336		
Total program (obligations)	1,352,296	2,500,000	4,000,000
Financing:			
Unobligated balance brought forward	−8,171,355	−6,819,059	−4,319,059
Unobligated balance carried forward	6,819,059	4,319,059	319,059
Appropriation (new obligational authority)			

Funds appropriated in 1956 (69 Stat. 460) will be expended in 1959 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 1960.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $320,844; 1958, $859,180; 1959, $859,180; 1960, $859,180.

Object Classification

		1958 actual	1959 estimate	1960 estimate
11	Grants, subsidies, and contributions	$1,352,296	$2,500,000	$4,000,000

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the Bureau of Mines may be expended for purchase of not to exceed [seventy-eight] *seventy-five* 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 pri-

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vate 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 (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, 1959.*)

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Army industrial fund."
"Construction and rehabilitation," Bureau of Reclamation.
"Military construction, Army."
"Military construction, Navy."
"Operating expenses," Atomic Energy Commission.
"Procurement of equipment and missiles, Army."
"Research, development, test, and evaluation, Army."
"Research, development, test, and evaluation, Navy."
"Revolving fund, Defense Production Act," funds appropriated to the President.

Public enterprise funds:

Development and Operation of Helium Properties, Bureau of Mines

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Manufacturing expense	$4,549,607	$4,721,942	$5,948,298
Administrative and other expense	451,296	741,109	847,087
Writeoffs of stores inventory and equipment	21,624		
Total operating costs	5,022,527	5,463,051	6,795,385
Unfunded adjustments to total operating costs:			
Depreciation and depletion included above (−)	−1,213,800	−1,252,278	−1,805,229
Writeoffs of stores inventory and equipment (−)	−21,624		
Total operating costs, funded	3,787,103	4,210,773	4,990,156
Capital outlay: Acquisition of land structures, and equipment [1]	3,988,995	2,959,600	6,933,500
Total program costs funded	7,776,098	7,170,373	11,923,656
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−427,372	−722,904	
Obligations incurred for costs of other years, net			95,791
Total program (obligations)	7,348,726	6,447,469	12,019,447
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of fixed assets	3,241	3,000	3,000
Sale of helium	5,423,622	5,642,700	8,689,400
Other revenue	937,459	985,815	1,068,676
Adjustment of prior year revenue	518		
Total amounts becoming available	6,364,840	6,631,515	9,761,076
Unobligated balance brought forward	5,558,700	4,074,814	4,258,860
Total amounts available	11,923,540	10,706,329	14,019,936
Capital transfer (payment of profits to Treasury) (−)	−500,000		
Unobligated balance carried forward	−4,074,814	−4,258,860	−2,000,489
Financing applied to program	7,348,726	6,447,469	12,019,447

[1] Excludes property transferred in without charge, net as follows: June 30, 1958, $21,605; 1959, $4,737,581; and 1960, $12,025,000.

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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Helium for sale	$41,519	$64,277	$69,973	$56,131
Supplies, deferred charges and conserved helium	421,543	594,073	493,253	430,253
Unpaid undelivered orders	1,677,807	1,055,147	427,367	600,000
Total selected resources at end of year	2,140,869	1,713,497	990,593	1,086,384
Selected resources at start of year (−)	−2,140,869	−1,713,497	−990,593	
Costs financed from obligations of other years, net (−)		−427,372	−722,904	
Obligations incurred for costs of other years, net				95,791

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of land, structures, and equipment	$3,988,995	$2,959,600	$6,933,500
Expense	3,809,861	4,216,469	4,976,314
Total sales program	7,798,856	7,176,069	11,909,814
Increase in selected working capital		1,784	
Total gross expenditures	7,798,856	7,177,853	11,909,814
Receipts from operations (funds provided):			
Sales program: Revenue	6,361,081	6,628,515	9,758,076
Undistributed receipts:			
Proceeds from sale of fixed assets	3,241	3,000	3,000
Adjustment of prior year transactions	518		
Decrease in selected working capital	980,337		212,709
Total receipts from operations	7,345,177	6,631,515	9,973,785
Budget expenditures	453,679	546,338	1,936,029

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$6,361,081	$6,628,515	$9,758,076
Expense	5,000,903	5,463,051	6,795,385
Net operating income	1,360,178	1,165,464	2,962,691
Nonoperating income or loss (−):			
Proceeds from sale of land, structures, and equipment	3,241	3,000	3,000
Net book value of assets sold (−)	−3,241	−3,000	−3,000
Net nonoperating income or loss (−)			
Net income for the year	1,360,178	1,165,464	2,962,691
Analysis of retained earnings:			
Retained earnings, beginning of year	3,811,642	4,667,752	5,833,216
Adjustment of prior year transactions, net:			
Affecting working capital	518		
Writeoffs and disposal of fixed assets	−4,586		
Payment of profits to Treasury (−)	−500,000		
Retained earnings, end of year	4,667,752	5,833,216	8,795,907

Financial Condition

Assets:			
Cash with Treasury and in banks	$6,313,147	$5,766,809	$3,830,780
Accounts receivable, net	429,646	411,254	649,781
Helium for sale (inventory)	64,277	69,973	56,131
Supplies, deferred charges, and conserved helium	594,073	493,253	430,253
Land, structures, and equipment	14,188,632	20,630,535	37,780,806
Total assets	21,589,775	27,371,824	42,747,751

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BUREAU OF MINES—Continued

Public enterprise funds—Continued

DEVELOPMENT AND OPERATION OF HELIUM PROPERTIES, BUREAU OF MINES—Continued

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$1,612,832	$1,491,836	$1,880,072
Government investment:			
Non-interest-bearing capital:			
Start of year	15,304,624	15,309,191	20,046,772
Writeoffs and disposals, net	−17,038		
Donated fixed assets, net	21,605	4,737,581	12,025,000
End of year	15,309,191	20,046,772	32,071,772
Retained earnings	4,667,752	5,833,216	8,795,907
Total Government investment	19,976,943	25,879,988	40,867,679

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$7,266,826	$6,313,147	$5,766,809	$3,830,780
Obligated balance, net:				
Current liabilities	667,944	1,612,832	1,491,836	1,880,072
Unpaid undelivered orders	1,677,807	1,055,147	427,367	600,000
Accounts receivable, net (−)	−637,625	−429,646	−411,254	−649,781
Total obligated balance	1,708,126	2,238,333	1,507,949	1,830,291
Unobligated balance	5,558,700	4,074,814	4,258,860	2,000,489

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	457	483	552
Average number of all employees	429	461	541
Number of employees at end of year	435	475	548
Average GS grade and salary	7.9 $5,908	7.9 $6,561	7.9 $6,590
Average salary of ungraded positions	$4,766	$5,044	$5,145
01 Personal services:			
Permanent positions	$2,173,012	$2,468,000	$3,005,000
Other personal services	123,444	129,000	144,000
Total personal services	2,296,456	2,597,000	3,149,000
02 Travel	29,286	30,000	32,000
03 Transportation of things	21,582	22,000	25,000
04 Communication services	23,239	25,000	30,000
05 Rents and utility services	78,782	79,000	85,000
06 Printing and reproduction	4,547	5,000	8,000
07 Other contractual services	383,411	390,000	400,000
08 Supplies and materials	1,731,381	817,049	1,022,214
09 Equipment	3,265,732	2,959,600	6,933,500
11 Grants, subsidies, and contributions	135,367	149,000	160,000
13 Refunds, awards, and indemnities	610	600	600
15 Taxes and assessments	993	1,000	1,500
Total accrued expenditures	7,971,386	7,075,249	11,846,814
Increase or decrease (−) in unpaid undelivered orders	−622,660	−627,780	172,633
Total obligations	7,348,726	6,447,469	12,019,447

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Bituminous coal	$870,858	$894,000	$894,000
2. Petroleum, natural gas, and oil shale	241,116	292,000	284,000
3. Ferrous metals	231,688	52,500	39,000
4. Nonferrous metals	1,065,157	1,203,400	924,000
5. Nonmetallic minerals	83,485	138,100	121,000
6. Foreign activities	218,186	222,000	222,000
7. Inspections, investigations, and rescue work	42,533	44,000	44,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
8. General administrative expenses	$72		
Total obligations	2,753,095	$2,846,000	$2,528,000
Financing:			
Unobligated balance brought forward	167,543	174,282	152,282
Advances and reimbursements from other accounts	2,797,028	2,824,000	2,509,000
Unobligated balance carried forward	−174,282	−152,282	−133,282
Unobligated balance no longer available	−37,194		
Total financing	2,753,095	2,846,000	2,528,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	360	375	349
Full-time equivalent of all other positions	14	16	15
Average number of all employees	348	354	314
Number of employees at end of year	354	355	340
Average GS grade and salary	7.9 $5,908	7.9 $6,561	7.9 $6,590
Average salary of ungraded positions	$4,766	$5,044	$5,145
01 Personal services:			
Permanent positions	$2,026,899	$2,121,600	$1,891,000
Positions other than permanent	73,871	66,500	61,000
Other personal services	26,804	28,900	33,500
Total personal services	2,127,574	2,217,000	1,985,500
02 Travel	27,184	38,000	32,000
03 Transportation of things	32,008	32,150	29,100
04 Communication services	9,260	11,500	10,500
05 Rents and utility services	18,771	17,250	18,200
06 Printing and reproduction	2,422	2,100	2,100
07 Other contractual services	37,330	41,000	37,000
08 Supplies and materials	283,951	275,200	228,200
09 Equipment	96,194	77,400	66,300
11 Grants, subsidies, and contributions	115,064	130,300	116,000
13 Refunds, awards, and indemnities	647	1,100	1,100
15 Taxes and assessments	2,690	3,000	2,000
Total obligations	2,753,095	2,846,000	2,528,000

Proposed for later transmission:

CONSERVATION AND DEVELOPMENT OF MINERAL RESOURCES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Bituminous coal		$106,000	
2. Anthracite coal		8,000	
3. Petroleum, natural gas, and oil shale		64,000	
4. Ferrous metals		52,000	
5. Nonferrous metals		84,000	
6. Nonmetallic minerals		36,000	
Total program (costs—obligations)		350,000	
Financing:			
Proposed supplemental appropriation		350,000	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to cover increased pay costs for engineers and scientists.

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.

1960 will be the fourth 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 1958 to over 80 million in 1966.

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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 archeological values in river basins of the United States (except the Missouri River Basin); [$14,632,000] *$17,000,000.*

[For an additional amount, $50,000 and not to exceed $20,000 and not to exceed $25,000 of the appropriations under this head in the Department of the Interior and Related Agencies Appropriation Acts, 1957 and 1958 (Public Laws 573, Eighty-fourth Congress and 85–77) respectively, shall be available during the current fiscal year for reimbursements to the District of Columbia for benefit payments made for those fiscal years pursuant to the Act of August 21, 1957 (71 Stat. 399): *Provided*, That any costs in excess of the amounts stated herein shall be reimbursed from this appropriation for the current fiscal year.] *(5 U. S. C. 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. 612); Department of the Interior and Related Agencies Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$14,682,000** Estimate 1960, **$17,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Management of park and other areas	$11,383,473	$12,463,494	$13,446,994
2. Forestry and fire control	822,276	925,205	967,205
3. Soil and moisture conservation	113,645	102,800	102,800
4. Park and recreation programs	1,886,488	2,111,131	2,118,131
5. Concessions management	294,923	312,870	364,870
6. 1959 program obligated in 1959	81,916	−81,916	
Total obligations	14,582,721	15,833,584	17,000,000
Financing:			
1959 appropriation available in 1958	−81,916	81,916	
Unobligated balance no longer available	26,289		
New obligational authority	14,527,094	15,915,500	17,000,000
New obligational authority:			
Appropriation	$14,540,094	$14,682,000	$17,000,000
Transferred to "Trust Territory of the Pacific Islands" (71 Stat. 236)	−13,000		
Appropriation (adjusted)	14,527,094	14,682,000	17,000,000
Reappropriation[1]		45,000	
Proposed supplemental due to pay increases		1,188,500	

1. *Management of park and other areas.*—The 189 park and other areas comprise about 24 million acres located in 41 States, the District of Columbia, Hawaii, Puerto Rico, and the Virgin Islands. The increase proposed is to provide for (1) administration of 9 additional areas; (2) leasing commercial communication facilities; (3) reallocation of park ranger positions; (4) expansion of administrative supervision to better coordinate protection functions; (5) operation of new facilities constructed or under construction; and (6) added visitor services and protection in the parks as a result of the continued increase in visitation. Actual and estimated visitors and revenue receipts follow:

	Calendar year visitors	*Fiscal year receipts*
1957 actual	59,284,869	$5,658,040
1958 actual		5,744,920
1958 estimate	60,000,000	
1959 estimate	62,000,000	5,946,800
1960 estimate	65,000,000	6,371,800

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 (1) leasing commercial communication facilities; (2) operation of new facilities; and (3) strengthening existing protection services and to provide protection for additional areas. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

3. *Soil and moisture conservation.*—The 1960 program will permit corrective measures on 32 of the most critical problem areas.

4. *Park and recreation programs.*—Studies are made of the park, parkway, and recreation potentialities of the United States and its Territories, frequently in cooperation with Federal, State, and local agencies; technical and scientific services and 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 for the purpose of acquiring and preserving 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. Studies and investigations are carried out to establish and acquire rights to sources of water supply. The increase will augment general expense funds required for the land use program.

5. *Concessions management.*—There are approximately 160 major concessionaires operating in the parks and other areas. Contracts are negotiated or permits issued; rates established; services to be rendered are determined; and records audited. The increase will provide for closer management supervision in three of the regional offices and in the Washington office.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	1,806	1,872	1,980
	Full-time equivalent of all other positions	452	465	484
	Average number of all employees	2,117	2,248	2,375
	Number of employees at end of year	2,933	3,067	3,225
	Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153
	Average salary of ungraded positions	$4,303	$4,485	$4,507
01	Personal services:			
	Permanent positions	$8,685,837	$10,270,208	$10,951,454
	Positions other than permanent	1,604,032	1,775,670	1,845,000
	Other personal services	440,076	416,872	493,546
	Total personal services	10,729,945	12,462,750	13,290,000
02	Travel	540,160	489,000	515,000
03	Transportation of things	143,539	114,110	140,000
04	Communication services	245,260	295,160	375,000
05	Rents and utility services	184,672	201,640	213,000
06	Printing and reproduction	188,169	207,975	230,000
07	Other contractual services	630,433	508,200	510,000
	Services performed by other agencies	18,000	25,000	25,000
08	Supplies and materials	662,830	581,000	610,000
09	Equipment	602,161	340,505	363,000
11	Grants, subsidies, and contributions	516,253	646,800	682,000
13	Refunds, awards, and indemnities	9,813	5,700	4,000
15	Taxes and assessments	29,570	37,660	43,000
	1959 program obligated in 1958	81,916	−81,916	
	Total obligations	14,582,721	15,833,584	17,000,000

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, [$12,175,000] *$14,000,000. (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, 1959.)*

Appropriated 1959, **$12,175,000** Estimate 1960, **$14,000,000**

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NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Roads and trails	$4,949,875	$5,307,000	$6,044,000
2. Buildings, utilities, and other facilities	6,667,442	7,099,000	7,956,000
3. 1959 program obligated in 1958	298,653	−298,653	
Total obligations	11,915,970	12,107,347	14,000,000
Financing:			
1959 appropriation available in 1958	−298,653	298,653	
Unobligated balance no longer available	46,469		
New obligational authority	11,663,786	12,406,000	14,000,000
New obligational authority:			
Appropriation	$11,600,000	$12,175,000	$14,000,000
Transferred to "Trust Territory of the Pacific Islands" (71 Stat. 236)	−10,000		
Transferred from "Operation and maintenance," Southeastern Power Administration (72 Stat. 241)	73,786		
Appropriation (adjusted)	11,663,786	12,175,000	14,000,000
Proposed supplemental due to pay increases		231,000	

The objectives are to maintain and operate physical facilities while safeguarding the natural, historic, and scenic values of the parks.

1. *Roads and trails.*—The increase proposed is to finance (*a*) six additional areas to be added to the system; (*b*) additional costs incident to increased wage rates, prices of supplies, equipment, etc.; (*c*) leasing commercial communication facilities; (*d*) increased mileages added to the system; and (*e*) improved maintenance of existing facilities to meet needs as a result of the continued increase in visitation. The facilities maintained are as follows:

		Beginning		
	Unit	*1958*	*1959*	*1960*
Facility:				
Roads	Miles	7,078	7,235	7,361
Trails	Miles	8,298	8,364	8,345
Airport runways	Miles	48	12	13

2. *Buildings, utilities, and other facilities.*—The increase proposed is to finance (*a*) eight additional areas to be added to the system; (*b*) operation and maintenance of new facilities constructed or under construction; and for the same purposes as indicated in 1 (*b*), (*c*), and (*e*) above.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,310	1,317	1,437
Full-time equivalent of all other positions	588	565	622
Average number of all employees	1,747	1,804	1,987
Number of employees at end of year	2,800	2,966	3,200
Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153
Average salary of ungraded positions	$4,303	$4,485	$4,507
01 Personal services:			
Permanent positions	$4,952,488	$5,691,032	$6,315,000
Positions other than permanent	2,082,857	2,089,800	2,310,000
Other personal services	238,862	203,568	257,000
Total personal services	7,274,207	7,984,400	8,882,000
02 Travel	120,027	127,000	150,000
03 Transportation of things	56,612	56,800	65,000
04 Communication services	87,784	105,200	150,000
05 Rents and utility services	267,894	273,000	405,000
06 Printing and reproduction	6,650	6,400	9,000
07 Other contractual services	620,396	610,900	712,000
08 Supplies and materials	1,828,270	1,826,000	2,000,000
09 Equipment	1,011,245	973,500	1,105,000
11 Grants, subsidies, and contributions	279,328	371,400	442,000
13 Refunds, awards, and indemnities	6,711	4,300	5,000
15 Taxes and assessments	58,193	67,100	75,000
1959 program obligated in 1958	298,653	−298,653	
Total obligations	11,915,970	12,107,347	14,000,000

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; *$13,600,000,* to remain available until expended[, $20,000,000, of which not to exceed $135,000 shall be available for the construction of additional school facilities at Grand Canyon National Park, Arizona]. (*5 U.S.C. 124–132; 16 U.S.C. 1, 431–433, 459r, 461–467; Act of Aug. 31, 1954 (68 Stat. 1037); Act of Aug. 9, 1955 (69 Stat. 575, 576); Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$20,000,000** Estimate 1960, **$13,600,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Buildings, utilities, and other facilities	$19,271,565	$21,267,704	$10,120,000
2. Acquisition of—			
(*a*) Lands	1,508,995	1,495,632	3,250,000
(*b*) Water rights	55,861	204,160	230,000
3. Parkways	20,236	15,891	
4. Roads and trails	13,362	105,822	
Total obligations	20,870,019	23,089,209	13,600,000
Financing:			
Unobligated balance brought forward	−6,589,496	−3,119,477	−30,268
Unobligated balance carried forward	3,119,477	30,268	30,268
Appropriation (new obligational authority)	17,400,000	20,000,000	13,600,000

1. *Buildings, utilities, and other facilities.*—The 1960 program is the fourth year of a 10-year program to provide essential facilities to meet all visitor requirements by 1966. A summary of the 1960 program by major type of construction follows:

Camping and picnicking facilities	$2,742,200
Public service and administrative units	3,201,900
Utilities	1,878,000
Employee housing	838,200
Miscellaneous	1,459,700
Total	10,120,000

2. *Acquisition of lands and water rights.*—Approximately 610,000 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*	*1960*
Acquired during year	26,500	18,000	10,000	15,000
Private lands, end of year	638,000	620,000	610,000	595,000

Rights to water must be obtained, frequently by purchase, in many of the areas for use of visitors and employees, and for fire protection.

3 and 4. *Parkways* and *roads and trails.*—The obligations for these programs are against carryover balance of prior appropriations for programs authorized by the Federal Highway Act of 1952. Programs authorized by the Federal Highway Acts of 1956 and 1958 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	388	422	321
Full-time equivalent of all other positions	323	322	247
Average number of all employees	429	510	353
Number of employees at end of year	505	600	475
Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Average salary of ungraded positions	$4,303	$4,485	$4,507
01 Personal services:			
Permanent positions	$1,358,554	$2,516,300	$1,680,500
Positions other than permanent	1,176,341	1,175,000	900,000
Other personal services	124,823	129,700	126,400
Total personal services	2,659,718	3,821,000	2,706,900
02 Travel	203,967	250,000	200,000
03 Transportation of things	56,862	60,000	55,000
04 Communication services	36,851	35,000	35,000
05 Rents and utility services	87,576	85,000	85,000
06 Printing and reproduction	37,527	37,500	37,500
07 Other contractual services	3,055,910	2,970,000	2,000,000
08 Supplies and materials	643,329	625,000	600,000
09 Equipment	394,379	390,000	390,000
10 Lands and structures	13,564,252	14,600,000	7,357,400
11 Grants, subsidies, and contributions	103,282	190,000	109,200
13 Refunds, awards, and indemnities	1,378	1,500	1,500
15 Taxes and assessments	24,988	24,209	22,500
Total obligations	20,870,019	23,089,209	13,600,000

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, $22,000,000] *and section 6 of the Federal-Aid Highway Act of 1958 (72 Stat. 93), $34,000,000,* to remain available until expended. (*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, 1959.*)

Appropriated 1959, [a] **$30,000,000** Estimate 1960, **$34,000,000**

[a] Includes $8,000,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Parkways	$22,674,550	$11,674,522	$16,000,000
2. Roads and trails	23,789,357	9,118,362	18,000,000
Total obligations	46,463,907	20,792,884	34,000,000
Financing:			
Unobligated balance brought forward (contract authorization)	−35,256,791	−20,792,884	−34,000,000
Unobligated balance carried forward (contract authorization)	20,792,884	34,000,000	34,000,000
Contract authorization (new)	32,000,000	34,000,000	34,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$40,052,500	$41,052,500	$45,052,500
Contract authorization (new)	32,000,000	34,000,000	34,000,000
Unfunded balance at end of year	−41,052,500	−45,052,500	−45,052,500
Appropriation to liquidate contract authorization	31,000,000	30,000,000	34,000,000

1. *Parkways.*—Progress of construction of 10 authorized parkways is shown as follows:

	Estimated total cost	*Authorized through 1959*	*Estimate, 1960*	*Estimated cost to complete*
1. Baltimore-Washington Greenbelt Park	$14,500,000	$14,500,000	----------	----------
	3,000,000	----------	$226,800	$2,773,200
2. Blue Ridge	93,893,060	62,558,660	4,516,700	26,817,700
3. Chesapeake and Ohio Canal	7,229,857	299,857	----------	6,930,000
4. Colonial	8,745,695	8,295,695	111,400	338,600
5. Foothills	23,780,746	3,552,446	1,417,600	18,810,700
6. George Washington Memorial [1]	60,656,730	11,909,230	3,125,800	45,621,700
7. Natchez Trace	100,477,249	38,603,949	6,398,800	55,474,500
8. Palisades	6,000,000	----------	167,000	5,833,000
9. Rock Creek and Potomac	3,932,400	616,900	35,900	3,279,600
10. Suitland	1,079,587	1,079,587	----------	----------
Total	323,295,324	141,416,324	16,000,000	165,879,000

[1] Excludes $8,000,000 appropriated to Central Intelligence Agency for construction on parkway.

2. *Roads and trails.*—The 1960 program contemplates work on 142 miles of major roads, including 7 bridges, reconstruction of 106 miles of roads, completion of final paving on 34 miles, and work on 2 miles of new roads, in addition to numerous minor roads, trails, and parking areas.

Object Classification

	1958 actual	1959 estimate	1960 estimate
NATIONAL PARK SERVICE			
Total number of permanent positions	222	255	269
Full-time equivalent of all other positions	299	135	200
Average number of all employees	506	375	447
Number of employees at end of year	1,198	850	1,000
Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153
Average salary of ungraded positions	$4,303	$4,485	$4,507
01 Personal services:			
Permanent positions	$1,908,174	$2,323,000	$2,460,000
Positions other than permanent	1,060,801	506,250	750,000
Other personal services	90,854	46,000	80,000
Total personal services	3,059,829	2,875,250	3,290,000
02 Travel	209,669	171,000	200,000
03 Transportation of things	17,354	10,000	17,000
04 Communication services	34,634	30,000	35,000
05 Rents and utility services	282,112	126,000	207,000
06 Printing and reproduction	41,911	23,000	38,000
07 Other contractual services	2,947,040	1,300,000	2,132,000
08 Supplies and materials	750,623	335,000	550,000
09 Equipment	224,969	100,000	164,000
10 Lands and structures	34,586,486	13,705,000	24,156,000
11 Grants, subsidies, and contributions	115,993	140,000	150,000
13 Refunds, awards, and indemnities	3,923	4,000	4,000
15 Taxes and assessments	22,462	9,555	14,914
Total, National Park Service	42,297,005	18,828,805	30,957,914
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	295	375	375
Full-time equivalent of all other positions	39	70	75
Average number of all employees	307	425	445
Number of employees at end of year	333	460	480
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.8 $6,604
Average salary of ungraded positions	$6,534	$6,531	$5,072
01 Personal services:			
Permanent positions	$1,190,731	$1,769,130	$1,890,000
Positions other than permanent	137,735	250,470	270,000
Other personal services	70,242	67,400	90,000
Total personal services	1,398,708	2,087,000	2,250,000
02 Travel	122,764	303,000	303,000
03 Transportation of things	7,537	35,000	35,000
04 Communication services	8,368	35,000	35,000
05 Rents and utility services	44,072	76,000	78,000
06 Printing and reproduction	13,376	30,000	30,000
07 Other contractual services	1,222,544	1,212,000	1,214,000
08 Supplies and materials	35,516	5,000	158,000
09 Equipment	3,257	23,000	23,000
10 Lands and structures	1,228,163	----------	----------
11 Grants, subsidies, and contributions	82,597	117,000	117,000
15 Taxes and assessments	----------	3,000	3,000
Subtotal	4,166,902	3,926,000	4,246,000
Deduct portion of foregoing obligations originally charged to object class 10	----------	1,961,921	1,203,914
Total, Bureau of Public Roads	4,166,902	1,964,079	3,042,086
Total obligations	46,463,907	20,792,884	34,000,000

General Administrative Expenses

For expenses necessary for general administration of the National Park Service, including such expenses in the regional offices, [$1,330,000] *$1,475,000. (16 U. S. C. 1; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$1,330,000** Estimate 1960, **$1,475,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental expense	$868,198	$897,950	$938,450
2. Regional office expense	516,571	536,550	536,550
3. 1959 program obligated in 1958	927	−927	----------
Total obligations	1,385,696	1,433,573	1,475,000

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NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

GENERAL ADMINISTRATIVE EXPENSES—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
1959 appropriation available in 1958	−$927	$927	
Unobligated balance no longer available	5,881		
New obligational authority	1,390,650	1,434,500	$1,475,000
New obligational authority:			
Appropriation	$1,330,000	$1,330,000	$1,475,000
Transferred from "Operation and maintenance," Southeastern Power Administration (72 Stat. 241)	60,650		
Appropriation (adjusted)	1,390,650	1,330,000	1,475,000
Proposed supplemental due to pay increases		104,500	

General executive direction and certain 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. The increase proposed for 1960 will provide for strengthening financial and records management functions.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	170	170	176
Full-time equivalent of all other positions	1	1	3
Average number of all employees	166	166	171
Number of employees at end of year	176	175	181
Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153
Average salary of ungraded positions	$4,303	$4,485	$4,507
01 Personal services:			
Permanent positions	$1,135,358	$1,188,360	$1,210,300
Positions other than permanent	4,663	5,000	13,700
Other personal services	9,808	10,760	15,300
Total personal services	1,149,829	1,204,120	1,239,300
02 Travel	66,127	65,000	65,000
03 Transportation of things	3,047	3,000	3,000
04 Communication services	27,448	25,000	25,000
05 Rents and utility services	622	680	700
06 Printing and reproduction	22,195	22,000	22,000
07 Other contractual services	22,093	20,000	20,000
08 Supplies and materials	13,727	12,500	12,500
09 Equipment	7,123	5,000	5,000
11 Grants, subsidies, and contributions	70,604	75,000	80,300
13 Refunds, awards, and indemnities	1,855	2,000	2,000
15 Taxes and assessments	99	200	200
1959 program obligated in 1958	927	−927	
Total obligations	1,385,696	1,433,573	1,475,000

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed [eighty-four] *ninety-six* passenger motor vehicles (*of which eighty-four are* for replacement only), including not to exceed [seventeen for replacing United States Park Police cruisers; purchase of one aircraft;] *fifty for police-type use without regard to the general purchase price limitation for the current fiscal year* 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 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 receipt 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, 1959.*)

Permanent authorizations:

NATIONAL PARK SERVICE PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (estimate) 1959, **$154,100** Estimate 1960, **$115,100**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Educational expenses, children of employees, Yellowstone National Park	$24,537	$29,348	$38,886
2. Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park	113,178	105,550	7,000
3. Payment for tax losses on land acquired for Grand Teton National Park	27,210	29,085	30,067
Total obligations	164,925	163,983	75,953
Financing:			
Unobligated balance brought forward	−145,685	−161,037	−151,154
Unobligated balance carried forward	161,037	151,154	190,301
New obligational authority	180,277	154,100	115,100
New obligational authority:			
"Educational expenses, children of employees, Yellowstone National Park"	$15,511	$34,000	$43,000
"Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park"	98,230	55,000	7,000
"Payment for tax losses on land acquired for Grand Teton National Park"	28,529	30,100	30,100
"Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park"	38,007	35,000	35,000
Appropriation	180,277	154,100	115,100

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 1960 it is estimated there will be 59 elementary and 22 high-school students. Cost per student is $402 for elementary and $540 for high school.

2. *Operation, mangagment, 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	9	11	
Full-time equivalent of all other positions	4	5	1
Average number of all employees	13	16	1
Number of employees at end of year	12	15	0
Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153
Average salary of ungraded positions	$4,303	$4,485	$4,507

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Permanent positions	$35,921	$69,330	
Positions other than permanent	19,953	15,408	$3,350
Other personal services	2,706	500	
Total personal services	58,580	85,238	3,350
02 Travel	6	11	11
03 Transportation of things	277	261	11
04 Communication services	1,100	533	33
05 Rents and utility services	18,746	7,026	
06 Printing and reproduction	234	100	
07 Other contractual services	38,815	27,314	30,750
08 Supplies and materials	4,962	4,904	1,420
09 Equipment	3,039	1,000	3,300
10 Lands and structures	9,749	6,000	7,000
11 Grants, subsidies, and contributions	28,810	31,085	30,067
15 Taxes and assessments	607	511	11
Total obligations	164,925	163,983	75,953

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Sale of quarters and subsistence to employees (non-Federal)	$579,198	$731,270	$764,252
2. Sale of utilities to concessionaire and others (non-Federal)	391,109	472,669	502,370
3. Miscellaneous other (non-Federal)	192,732	223,285	220,740
4. Miscellaneous services to other accounts	685,680	472,796	382,638
Total obligations	1,848,719	1,900,020	1,870,000
Financing:			
Unobligated balance brought forward	11,497	1,599	
Advances and reimbursements from—			
Other accounts	675,782	471,197	382,638
Non-Federal sources	1,163,039	1,427,224	1,487,362
Unobligated balance carried forward	−1,599		
Total financing	1,848,719	1,900,020	1,870,000

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 concessionaires, 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, 1959); 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	2	3	3
Average number of all employees	201	202	202
Number of employees at end of year	2	3	3
Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153
Average salary of ungraded positions	$4,303	$4,485	$4,507
01 Personal services:			
Permanent positions	$740,117	$744,867	$746,133
Other personal services	37	57	115
Total personal services	740,154	744,924	746,248
02 Travel	16,827	13,683	12,870
03 Transportation of things	10,113	12,000	12,000
04 Communication services	10,359	11,050	11,050
05 Rents and utility services	150,733	194,500	194,500
06 Printing and reproduction	857	250	520
07 Other contractual services	157,751	118,476	90,055
08 Supplies and materials	370,442	467,920	467,082
09 Equipment	186,613	204,100	203,300
10 Lands and structures	179,697	110,755	110,000
11 Grants, subsidies, and contributions	19,268	16,762	16,775

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$168		
15 Taxes and assessments	5,737	$5,600	$5,600
Total obligations	1,848,719	1,900,020	1,870,000

Proposed for later transmission:

MANAGEMENT AND PROTECTION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Forestry and fire control: Fire suppression (total obligations)		$200,000	
Financing:			
Proposed supplemental appropriation		200,000	

Under existing legislation.—A supplemental appropriation, in the amount of $200,000, is anticipated for forest-fire suppression. Funds in the amount of $100,000 were appropriated in 1959 for this purpose. Costs to date for fire-suppression activities amount to about $283,300, or $183,300 in excess of the amount available.

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.

PROGRAM

	1958 actual	*1959 estimate*	*1960 estimate*
Bureau of Sport Fisheries and Wildlife:			
Management and investigations of resources:			
1. Management of fishery resources	$4,057,286	$4,338,700	$4,759,700
2. Extension and training	160,218	169,700	169,700
3. Fishery research	365,132	623,500	640,500
4. Administration of wildlife resources:			
(a) Operation and maintenance of refuges	5,944,157	6,107,247	6,297,035
(b) Management and enforcement	1,968,931	1,967,800	2,037,790
(c) Administration of Alaska game laws	516,299	535,621	535,625
5. Control of predatory animals and injurious rodents	1,899,771	2,062,000	2,062,000
6. Wildlife research	1,349,072	1,600,200	1,649,200
7. Soil and moisture conservation	202,734	206,900	206,900
8. River basin studies	953,339	1,043,600	1,880,000
9. 1959 program obligated in 1958	261,745	−261,745	
Total	17,678,684	18,393,523	20,238,450
Construction:			
1. Fish facilities	3,311,259	2,767,660	550,650
2. Wildlife facilities:			
(a) Devils Kitchen Dam	1,579,283	1,355,751	
(b) Other construction	2,250,000	2,373,997	1,554,350
(c) Land acquisition	1,689,795	1,620,600	2,479,150
Total	8,830,337	8,118,008	4,584,150
General administrative expenses:			
1. Departmental expenses	413,883	344,400	344,400
2. Regional office expenses	757,163	885,700	880,700
Total	1,171,046	1,230,100	1,225,100
Grants to States and local governments under permanent authorizations	21,349,774	24,617,678	24,686,000
Total direct obligations, Bureau of Sport Fisheries and Wildlife	49,029,841	52,359,309	50,733,700

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FISH AND WILDLIFE SERVICE—Continued

PROGRAM—continued

	1958 actual	1959 estimate	1960 estimate
Bureau of Commercial Fisheries:			
Management and investigations of resources:			
1. Management	$108,086	$143,800	$143,800
2. Marketing and technology	3,699,123	3,742,520	3,940,065
3. Research	5,771,996	5,672,385	5,705,100
4. Research on fish migration over dams	271,616	291,200	291,200
5. Administration of Alaska fisheries	1,619,926	1,630,471	1,630,800
6. Fishing vessel mortgage insurance	----------	----------	80,000
7. 1959 program obligated in 1958	57,214	−57,214	----------
Total	11,527,961	11,423,162	11,790,965
Construction: Fishery facilities	740,476	1,363,290	245,000
General administrative expenses:			
1. Departmental expenses	141,504	293,860	293,860
2. Regional office expenses	503,823	357,240	357,240
Total	645,327	651,100	651,100
Administration of Pribilof Islands	1,682,481	1,851,500	1,940,000
Payment to Alaska, Pribilof Islands receipts	----------	881,662	879,550
Advisory committee expenses	17,120	27,240	30,800
Fisheries loan fund	2,560,291	5,213,000	4,463,000
Total direct obligations, Bureau of Commercial Fisheries	17,173,656	21,410,954	20,000,415
Office of the Commissioner of Fish and Wildlife: Salaries and expenses (total direct obligations)	310,470	343,000	343,000
Total direct obligations, Fish and Wildlife Service	66,513,967	74,113,263	71,077,115

FINANCING

1959 appropriations available in 1958	−$318,959	$318,959	----------
Unobligated balances brought forward	−24,023,802	−21,399,664	−$8,684,183
Unobligated balances carried forward	21,399,664	8,684,183	7,209,018
Unobligated balances no longer available	225,993	90,952	----------
Receipts provided by operations:			
Federal ship mortgage insurance for fishing vessels	----------	----------	−72,000
Fisheries loan fund	−519,716	−920,000	−1,475,000
New obligational authority:			
Bureau of Sport Fisheries and Wildlife:			
Management and investigations of resources:			
Definite	12,064,971	[1] 12,531,000	14,894,000
Indefinite	446,288	454,621	----------
Construction	5,677,000	3,929,350	2,105,000
General administrative expenses	172,505	[1] 774,600	631,200
Expenses for sale of refuge products	87,000	74,100	76,000
Federal aid in fish restoration	4,717,220	4,994,822	5,000,000
Federal aid in wildlife restoration	17,842,672	17,310,854	17,500,000
Management of national wildlife refuges	1,831,805	1,519,389	1,400,000
Migratory bird conservation account	4,842,291	4,500,000	6,750,000
Payments to counties from receipts under Migratory Bird Act	610,601	506,278	465,000
Payment to Alaska, Alaska game law	99,872	100,000	100,000
Total	48,392,225	46,695,014	48,921,200
Bureau of Commercial Fisheries:			
Management and investigations of resources:			
Definite	5,862,034	[1] 6,306,000	7,601,000
Indefinite	446,288	454,621	----------
Construction	700,000	500,000	245,000
General administrative expenses	122,148	[1] 190,000	325,200
Administration of Pribilof Islands	2,142,184	739,181	1,940,000
Payment to Alaska from Pribilof Islands receipts	----------	881,662	879,550
Promote and develop fishery products and research pertaining to American fisheries	4,651,151	4,786,415	4,800,000
Fisheries loan fund	--------	--------	3,000,000
Total	13,923,805	13,857,879	18,790,750
Office of the Commissioner of Fish and Wildlife, Salaries and expenses	961,117	334,800	343,000
Total new obligational authority	63,277,147	60,887,693	68,054,950

[1] Includes proposed supplemental appropriations for pay increase costs.

Office of the Commissioner of Fish and Wildlife

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Commissioner, [$307,800] *$343,000. (5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$307,800** Estimate 1960, [a] **$343,000**

[a] Includes $8,200 for activities previously carried under "General administrative expenses," Bureau of Sport Fisheries and Wildlife. The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Departmental expense (total obligations)	$311,095	$343,000	$343,000
Financing:			
Comparative transfers from (−) or to other accounts	626,441	−8,200	----------
Advances and reimbursements from other accounts	−625	----------	----------
Unobligated balance no longer available	24,206	----------	----------
New obligational authority	961,117	334,800	343,000
New obligational authority:			
Appropriation	$932,656	$307,800	$343,000
Transferred from "Operation and maintenance," Southeastern Power Administration (72 Stat. 243)	28,461	----------	----------
Appropriation (adjusted)	961,117	307,800	343,000
Proposed supplemental due to pay increases	----------	27,000	----------

This expense is for direction and coordination at headquarters in Washington, D. C.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	35	36	36
	Average number of all employees	33	35	35
	Number of employees at end of year	35	36	36
	Average GS grade and salary	9.1 $7,007	9.1 $7,685	9.1 $7,746
01	Personal services:			
	Permanent positions	$240,367	$267,000	$267,850
	Positions other than permanent	202	----------	----------
	Other personal services	1,001	1,000	2,000
	Total personal services	241,570	268,000	269,850
02	Travel	11,347	11,925	11,925
03	Transportation of things	16	1,100	1,100
04	Communication services	2,445	6,200	6,200
05	Rents and utility services	4,883	----------	----------
06	Printing and reproduction	17,325	17,350	17,350
07	Other contractual services	5,458	15,255	13,405
08	Supplies and materials	2,604	1,750	1,750
09	Equipment	10,437	3,700	3,700
11	Grants, subsidies, and contributions	14,955	17,720	17,720
15	Taxes and assessments	55	----------	----------
	Total obligations	311,095	343,000	343,000

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; [$11,616,000; 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] *$14,894,000. (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; Act of March 15, 1958, 72 Stat. 35; Act of Aug. 1, 1958, 72 Stat. 479; Act of Aug. 1, 1958, 72 Stat. 486; Act of Aug. 12, 1958, 72 Stat. 561; Act of Aug. 12, 1958, 72 Stat. 563; Act of Sept. 2, 1958, 72 Stat. 1712;*

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Department of the Interior and Related Agencies Appropriation Act, 1958.)

Appropriated 1959, [a] **$11,741,000** Estimate 1960, [b] **$14,894,000**

[a] Includes $125,000 appropriated in Supplemental Appropriation Act, 1959.
[b] Excludes $37,700 for activities transferred in the estimates to "Management and investigations of resources," Bureau of Commercial Fisheries. The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Management of fishery resources	$4,057,286	$4,338,700	$4,759,700
2. Extension and training	160,218	169,700	169,700
3. Fishery research	340,475	518,500	535,500
4. Administration of wildlife resources:			
(*a*) Definite	3,476,077	3,291,300	4,309,850
(*b*) Indefinite	445,319	454,621	
5. Control of predatory animals and injurious rodents	1,899,771	2,062,000	2,062,000
6. Wildlife research	960,874	1,063,000	1,170,750
7. Soil and moisture conservation	202,734	206,900	206,900
8. River basin studies	797,575	843,200	1,679,600
9. 1959 program obligated in 1958	261,745	−261,745	
Total obligations	12,602,074	12,686,176	14,894,000
Financing:			
Comparative transfers to other accounts	35,000	37,700	
1959 appropriation available in 1958	−261,745	261,745	
Unobligated balance no longer available	135,930		
New obligational authority	12,511,259	12,985,621	14,894,000
New obligational authority:			
Appropriation:			
Definite	$12,265,396	$12,531,000	$14,894,000
Indefinite	446,288	153,996	
Transferred to "Trust Territory of the Pacific Islands," Office of Territories (72 Stat. 54)	−200,425		
Transferred from "Administration of Pribilof Islands," Bureau of Commercial Fisheries (72 Stat. 785) (indefinite)		300,625	
Appropriation (adjusted):			
Definite	12,064,971	11,741,000	14,894,000
Indefinite	446,288	454,621	
Proposed supplemental due to pay increases		790,000	

1. *Management of fishery resources.*—Ninety-one 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 1958, these supplementary funds totaled $24,657. It is estimated they will amount to $105,000 in 1959 and 1960.

4. *Administration of wildlife resources.*—This activity covers (*a*) 270 wildlife 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 1958, these supplementary funds totaled $2,946,211. It is estimated they will amount to $3,261,547 in 1959, and $3,152,750 in 1960. (*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 1958, these supplementary funds totaled $1,030,768. It is estimated they will amount to $1,127,300 in 1959 and $1,107,300 in 1960. Funds for migratory game bird surveys are supplemented by moneys appropriated under the permanent accounts for migratory bird conservation account and Federal aid in wildlife restoration. In 1958, these funds totaled $467,702. It is estimated they will amount to $401,800 in 1959, and $224,550 in 1960. (*c*) Administration of the Alaska Game Law directed toward protection and rehabilitation of Alaskan sport fish and wildlife resources. This function is to be transferred to Alaska upon certification by the Secretary of Interior that the Alaska State Legislature has made adequate provision for exercising the function in the broad national interest. Pribilof Island receipts will no longer be available for this activity.

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 conducted on migratory birds and in wildlife management and conservation practices. Wildlife research units are also maintained in cooperation with Wildlife Management Institute and land-grant colleges at 16 locations to give technical training in wildlife management, conduct 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 1958 these supplementary funds totaled $388,198. It is estimated they will amount to $537,200 in 1959 and $478,450 in 1960.

7. *Soil and moisture conservation.*—Nearly 5.5 million acres on 63 wildlife refuges 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. Funds for this activity are supplemented by moneys appropriated under the migratory bird conservation account. In 1958, these supplementary funds totaled $155,764. It is estimated they will amount to $200,400 in 1959 and 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,354	1,421	1,602
Full-time equivalent of all other positions	251	251	280
Average number of all employees	1,503	1,642	1,837
Number of employees at end of year	1,887	1,925	2,206
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
Average salary of ungraded positions	$4,121	$4,095	$4,151
01 Personal services:			
Permanent positions	$6,457,693	$7,608,000	$8,709,400
Positions other than permanent	919,428	959,000	1,031,200
Other personal services	152,277	184,000	203,000
Total personal services	7,529,398	8,751,000	9,943,600
02 Travel	564,876	510,000	658,600
03 Transportation of things	122,168	102,000	119,100
04 Communication services	97,324	104,000	125,600
05 Rents and utility services	180,186	167,000	195,500

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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—Continued

		1958 actual	1959 estimate	1960 estimate
06	Printing and reproduction	$27,163	$31,000	$35,400
07	Other contractual services	1,012,460	834,000	944,600
08	Supplies and materials	1,714,082	1,369,000	1,665,400
09	Equipment	535,622	470,921	515,200
10	Lands and structures	210,407	210,000	209,800
11	Grants, subsidies, and contributions	468,655	529,000	603,000
13	Refunds, awards, and indemnities	2,044	2,000	4,900
15	Taxes and assessments	22,907	22,000	22,300
1959	program obligated in 1958	261,745	−261,745	
	Subtotal	12,749,037	12,840,176	15,043,000
	Deduct quarters and subsistence charges	146,963	154,000	149,000
	Total obligations	12,602,074	12,686,176	14,894,000

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, [$3,929,350] *$2,105,000*, to remain available until expended. *(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, 1959.)*

Appropriated 1959, **$3,929,350** Estimate 1960, **$2,105,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Sport fish facilities	$3,311,259	$2,767,660	$550,650
2. Wildlife facilities	2,591,997	3,729,748	1,554,350
Total obligations	5,903,256	6,497,408	2,105,000
Financing:			
Unobligated balance brought forward		−2,568,058	
Unobligated balance transferred from "Construction," Fish and Wildlife Service (70 Stat. 1119)	−2,794,314		
Unobligated balance carried forward	2,568,058		
Appropriation (new obligational authority)	5,677,000	3,929,350	2,105,000

1. *Sport fish facilities.*—Projects proposed for 1960 consist of completion of construction of 1, continuation of construction of 4 hatcheries and acquisition of additional land for 2 hatcheries.

2. *Wildlife facilities.*—Projects proposed consist of construction, development, and improvement of facilities on 37 wildlife refuges. Funds for acquisition of lands and construction on wildlife refuges are supplemented by moneys appropriated under permanent accounts for management of national wildlife refuges, and migratory bird conservation account. In 1958, these supplementary funds totaled $2,927,081. It is estimated they will amount to $1,620,600 in 1959 and $2,479,150 in 1960 for land acquisition only.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	BUREAU OF SPORT FISHERIES AND WILDLIFE			
	Total number of permanent positions	34	39	39
	Full-time equivalent of all other positions	54	76	134
	Average number of all employees	79	116	165
	Number of employees at end of year	37	140	300
	Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
01	Personal services:			
	Permanent positions	$131,662	$256,000	$191,000
	Positions other than permanent	234,196	334,000	573,700
	Other personal services	2,612	4,000	4,100
	Total personal services	368,470	594,000	768,800
02	Travel	11,482	9,000	4,500
03	Transportation of things	8,410	2,000	2,000
04	Communication services	682	1,000	1,000
05	Rents and utility services	4,877	4,000	500
06	Printing and reproduction	2,375	2,000	800
07	Other contractual services	1,186,420	744,000	134,000
08	Supplies and materials	249,855	83,000	378,000
09	Equipment	81,289	6,129	45,000
10	Lands and structures	2,402,333	3,688,528	761,000
11	Grants, subsidies, and contributions	3,878	3,000	1,500
15	Taxes and assessments	3,902	5,000	7,900
	Total, Bureau of Sport Fisheries and Wildlife	4,323,973	5,141,657	2,105,000
	ALLOCATION TO RIVERS AND HARBORS AND FLOOD CONTROL, ARMY			
	Total number of permanent positions	29	26	
	Average number of all employees	28	25	
	Number of employees at end of year	28	0	
	Average GS grade and salary	7.4 $5,552	7.3 $6,129	
01	Personal services:			
	Permanent positions	$159,104	$156,800	
	Other personal services	14,290	9,500	
	Total personal services	173,394	166,300	
02	Travel	3,334	2,700	
03	Transportation of things	190		
04	Communication services	753	600	
07	Other contractual services	297,997	2,000	
	Services performed by other agencies	1,352	1,000	
	Services performed by "Revolving fund, Corps of Engineers, Army"	21,884	17,000	
08	Supplies and materials	1,160	1,800	
09	Equipment	3,710		
10	Lands and structures	1,065,151	1,154,151	
11	Grants, subsidies, and contributions	10,358	10,200	
	Total, rivers and harbors and flood control, Army	1,579,283	1,355,751	
	Total obligations	5,903,256	6,497,408	2,105,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Sport Fisheries and Wildlife, including such expenses in the regional offices, [$714,100] *$631,200*. *(5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, **$714,100** Estimate 1960, [a] **$631,200**

[a] Excludes $143,400 for activities transferred in the estimates to—
"Salaries and expenses," Office of the Commissioner of Fish and Wildlife $8,200
"General administrative expenses," Bureau of Commercial Fisheries 135,200
The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental expense	$157,277	$176,700	$176,700
2. Regional office expense	428,563	454,500	454,500
Total obligations	585,840	631,200	631,200
Financing:			
Comparative transfers from (−) or to other accounts	−413,451	143,400	
Unobligated balance no longer available	116		
New obligational authority	172,505	774,600	631,200

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$166,190	$714,100	$631,200
Transferred from "Operation and maintenance," Bureau of Reclamation (72 Stat. 243)	6,315		
Appropriation (adjusted)	172,505	714,100	631,200
Proposed supplemental due to pay increases		60,500	

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	69	84	84
Positions other than permanent	2		
Average number of all employees	66	80	84
Number of employees at end of year	77	84	84
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
01 Personal services:			
Permanent positions	$407,298	$501,800	$499,900
Positions other than permanent	8,712		
Other personal services	11,809	13,700	15,600
Total personal services	427,819	515,500	515,500
02 Travel	11,951	21,800	21,800
03 Transportation of things	2,669	700	700
04 Communication services	23,193	7,000	7,000
05 Rents and utility services	25,551	5,700	5,700
06 Printing and reproduction	3,320	1,750	1,750
07 Other contractual services	35,758	38,700	38,700
08 Supplies and materials	23,087	4,400	4,400
09 Equipment	9,380		
10 Lands and structures	150		
11 Grants, subsidies, and contributions	21,798	35,650	35,650
13 Refunds, awards, and indemnities	960		
15 Taxes and assessments	204		
Total obligations	585,840	631,200	631,200

UPPER MISSISSIPPI RIVER WILDLIFE REFUGE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$1,453	−$1,453	
Unobligated balance carried forward	1,453		
Unobligated balance no longer available		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, development, test, and evaluation, Army."
"Construction and rehabilitation," Bureau of Reclamation.
"Range improvements," Bureau of Land Management.
"General investigations," rivers and harbors and flood control, Army.
"Flood control, Mississippi River and tributaries," rivers and harbors and flood control, Army.
"Construction, general," rivers and harbors and flood control, Army.

Permanent authorizations:

EXPENSES FOR SALES, ETC., IN REFUGES, MIGRATORY BIRD CONSERVATION ACT

(Indefinite special fund)

Appropriated (estimate) 1959, **$74,100** Estimate 1960, **$76,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Expenses for sales (total obligations)	$63,310	$74,100	$76,000
Financing:			
Unobligated balance brought forward	−10,532	−20,946	
Unobligated balance carried forward	20,946		
Unobligated balance no longer available	13,276	20,946	
Appropriation (new obligational authority)	87,000	74,100	76,000

Proceeds from sales of refuge products are used to pay expenses arising from such sales (16 U. S. C. 715s).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Full-time equivalent of all other positions	10	13	13
Average number of all employees	10	13	13
Number of employees at end of year	5	10	10
01 Personal services:			
Positions other than permanent	$35,410	$56,600	$58,400
Other personal services	408		
Total personal services	35,818	56,600	58,400
02 Travel	18	200	200
03 Transportation of things	603	300	300
04 Communication services	109		
05 Rents and utility services	65	50	100
07 Other contractual services	1,340	2,500	2,500
08 Supplies and materials	4,445	12,150	12,200
09 Equipment	1,101	1,000	1,000
10 Lands and structures	17,799		
11 Grants, subsidies, and contributions	1,009	1,000	1,000
13 Refunds, awards, and indemnities	658		
15 Taxes and assessments	345	300	300
Total obligations	63,310	74,100	76,000

FEDERAL AID IN FISH RESTORATION AND MANAGEMENT

(Receipt limitation)

Appropriated (est.) 1959, **$4,994,822** Estimate 1960, **$5,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payments to States	$4,253,852	$5,000,000	$5,000,000
2. Administration	230,998	345,700	353,700
3. Research	24,657	111,600	111,600
Total obligations	4,509,507	5,457,300	5,465,300
Financing:			
Unobligated balance brought forward	−1,584,299	−1,792,012	−1,329,534
Unobligated balance carried forward	1,792,012	1,329,534	864,234
Appropriation (new obligational authority)	4,717,220	4,994,822	5,000,000

Assistance is given the States, Hawaii, Puerto Rico, Guam, and the Virgin Islands by appropriation of funds

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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—con.

(Receipt limitation)—Continued

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 and 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 the 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 and incidental administrative expenses.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	31	34	37
Full-time equivalent of all other positions	2	3	2
Average number of all employees	32	38	42
Number of employees at end of year	40	45	45
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
01 Personal services:			
Permanent positions	$173,469	$220,000	$241,600
Positions other than permanent	9,720	10,000	9,000
Other personal services	1,223	1,000	1,700
Total personal services	184,412	231,000	252,300
02 Travel	25,276	51,000	53,000
03 Transportation of things	224	6,000	5,000
04 Communication services	2,320	9,000	9,000
05 Rents and utility services	393	1,000	2,500
06 Printing and reproduction	3,442	10,000	13,000
07 Other contractual services	14,104	28,300	13,000
08 Supplies and materials	8,462	58,000	54,000
09 Equipment	5,874	46,000	45,000
10 Lands and structures	2,237		
11 Grants, subsidies, and contributions	4,262,202	5,016,000	5,017,000
13 Refunds, awards, and indemnities	250		
15 Taxes and assessments	311	1,000	1,500
Total obligations	4,509,507	5,457,300	5,465,300

FEDERAL AID IN WILDLIFE RESTORATION

(Indefinite special fund)

Appropriated (est.) 1959, **$17,310,854** Estimate 1960, **$17,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payments to States	$15,685,890	$18,000,000	$18,000,000
2. Administration	614,708	814,500	916,100
3. Carrying out Migratory Bird Conservation Act	584,011	430,500	157,100
Total obligations	16,884,609	19,245,000	19,073,200
Financing:			
Unobligated balance brought forward	−5,716,445	−6,674,508	−4,740,362
Unobligated balance carried forward	6,674,508	4,740,362	3,167,162
Appropriation (new obligational authority)	17,842,672	17,310,854	17,500,000

Assistance is given the States, 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 and 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 years are available to carry out the provisions of the Migratory Bird Conservation Act and supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for this purpose under the appropriation for management and investigations of resources.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	126	140	120
Full-time equivalent of all other positions	4	3	2
Average number of all employees	119	133	113
Number of employees at end of year	142	150	127
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
01 Personal services:			
Permanent positions	$644,921	$829,000	$735,745
Positions other than permanent	19,302	15,000	6,000
Other personal services	5,772	10,000	11,000
Total personal services	669,995	854,000	752,745
02 Travel	89,785	124,500	114,600
03 Transportation of things	4,887	11,000	4,000
04 Communication services	18,711	16,000	11,900
05 Rents and utility services	5,964	1,000	500
06 Printing and reproduction	11,455	22,000	19,755
07 Other contractual services	54,034	55,000	44,500
08 Supplies and materials	36,437	61,000	58,500
09 Equipment	67,933	45,000	18,000
10 Lands and structures	205,238	500	
11 Grants, subsidies, and contributions	15,719,694	18,055,000	18,048,200
13 Refunds, awards, and indemnities	600		500
15 Taxes and assessments	669	1,000	1,000
Subtotal	16,885,402	19,246,000	19,074,200
Deduct quarters and subsistence charges	793	1,000	1,000
Total obligations	16,884,609	19,245,000	19,073,200

MANAGEMENT OF NATIONAL WILDLIFE REFUGES

(Indefinite special fund)

Appropriated (est.) 1959, **$1,519,389** Estimate 1960, **$1,400,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Development and maintenance of wildlife refuges	$1,500,203	$1,396,308	$1,041,000
2. Enforcement activities	339,108	359,000	359,000
Total obligations	1,839,311	1,755,308	1,400,000
Financing:			
Unobligated balance brought forward	−243,425	−235,919	
Unobligated balance carried forward	235,919		
Appropriation (new obligational authority)	1,831,805	1,519,389	1,400,000

Seventy-five percent of the net proceeds from the sale of wildlife-refuge products is appropriated for the activities

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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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	57	107	114
Full-time equivalent of all other positions	69	88	90
Average number of all employees	124	167	179
Number of employees at end of year	131	256	300
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
01 Personal services:			
Permanent positions	$316,732	$464,700	$584,000
Positions other than permanent	244,078	288,000	310,000
Other personal services	3,337	4,600	8,000
Total personal services	564,147	757,300	902,000
02 Travel	102,932	117,000	98,000
03 Transportation of things	9,971	12,000	12,000
04 Communication services	22,193	20,000	20,000
05 Rents and utility services	5,494	5,000	5,000
06 Printing and reproduction	14,474	16,000	16,000
07 Other contractual services	261,897	118,000	126,000
08 Supplies and materials	414,186	534,200	98,000
09 Equipment	218,957	97,308	43,000
10 Lands and structures	202,488	50,000	50,000
11 Grants, subsidies, and contributions	19,553	23,000	24,000
13 Refunds, awards, and indemnities	550	500	500
15 Taxes and assessments	3,954	5,000	5,500
Subtotal	1,840,796	1,755,308	1,400,000
Deduct quarters and subsistence charges	1,485		
Total obligations	1,839,311	1,755,308	1,400,000

MIGRATORY BIRD CONSERVATION ACCOUNT

(Receipt limitation)

Appropriated (est.) 1959, **$4,500,000** Estimate 1960, **$6,750,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts	$732,826	$789,800	$789,800
2. Acquisition, development, and maintenance of migratory bird refuges	5,198,635	4,616,739	5,734,200
Total obligations	5,931,461	5,406,539	6,524,000
Financing:			
Unobligated balance brought forward	−4,091,007	−3,001,837	−2,095,298
Unobligated balance carried forward	3,001,837	2,095,298	2,321,298
Appropriation (new obligational authority)	4,842,291	4,500,000	6,750,000

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 for supplying and accounting for the stamps. Funds used for enforcement supplement moneys appropriated to the 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. The acquisition of refuge lands is expected to increase in 1960. These funds supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for these purposes.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	447	462	463
Full-time equivalent of all other positions	85	73	56
Average number of all employees	485	515	511
Number of employees at end of year	667	600	578
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
Average salary of ungraded positions	$4,121	$4,095	$4,151
01 Personal services:			
Permanent positions	$2,111,984	$2,591,300	$2,622,255
Positions other than permanent	265,618	199,000	176,000
Other personal services	16,379	16,400	25,000
Total personal services	2,393,981	2,806,700	2,823,255
02 Travel	222,597	220,500	268,000
03 Transportation of things	50,609	26,000	24,000
04 Communication services	45,863	60,000	58,100
05 Rents and utility services	49,539	27,000	25,000
06 Printing and reproduction	16,029	15,000	13,245
07 Other contractual services	681,181	464,000	255,500
08 Supplies and materials	606,602	328,000	734,500
09 Equipment	304,687	104,922	186,000
10 Lands and structures	1,444,860	1,206,800	1,999,600
11 Grants, subsidies, and contributions	126,748	159,617	152,800
13 Refunds, awards, and indemnities	2,586	1,000	1,000
15 Taxes and assessments	8,603	5,000	4,000
Subtotal	5,953,885	5,424,539	6,545,000
Deduct quarters and subsistence charges	22,424	18,000	21,000
Total obligations	5,931,461	5,406,539	6,524,000

PAYMENT TO ALASKA, ALASKA GAME LAW

(Indefinite special fund)

Appropriated (est.) 1959, **$100,000** Estimate 1960, **$100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to Alaska (total obligations)	$99,872	$100,000	$100,000
Financing:			
Appropriation (new obligational authority)	99,872	100,000	100,000

Fifty percent of the revenues from licenses, permits, forfeitures, etc., under the Alaska Game Law are remitted to Alaska for schools (48 U. S. C. 199k).

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$99,872	$100,000	$100,000

PAYMENTS TO COUNTIES FROM RECEIPTS UNDER MIGRATORY BIRD CONSERVATION ACT

(Indefinite special fund)

Appropriated (est.) 1959, **$506,278** Estimate 1960, **$465,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payments to counties (total obligations)	$610,601	$506,278	$465,000
Financing:			
Appropriation (new obligational authority)	610,601	506,278	465,000

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Permanent authorizations—Continued

PAYMENTS TO COUNTIES FROM RECEIPTS UNDER MIGRATORY BIRD CONSERVATION ACT—continued

(Indefinite special fund)—Continued

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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$610,601	$506,278	$465,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Replacement of personal property sold	$173,406	$72,000	$92,000
2. Miscellaneous services to other accounts	496,880	1,232,789	747,900
Total obligations	670,286	1,304,789	839,900
Financing:			
Unobligated balance brought forward	27,760	20,089	
Advances and reimbursements from—			
Other accounts	489,209	526,700	26,900
Non-Federal sources (40 U. S. C. 481 (c) and 72 Stat. 563–564)	173,406	758,000	813,000
Unobligated balance carried forward	−20,089		
Total financing	670,286	1,304,789	839,900

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	67	199	137
Full-time equivalent of all other positions	6	8	
Average number of all employees	58	181	117
Number of employees at end of year	8	133	135
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
Average salary of ungraded positions	$4,121	$4,095	$4,151
01 Personal services:			
Permanent positions	$282,112	$769,600	$468,400
Positions other than permanent	31,830	41,000	
Other personal services	3,208	3,300	500
Total personal services	317,150	813,900	468,900
02 Travel	41,688	266,400	250,000
03 Transportation of things	25	13,000	
04 Communication services	1,143	5,000	
05 Rents and utility services	1,861		
06 Printing and reproduction	382	1,000	
07 Other contractual services	43,539	48,000	
08 Supplies and materials	27,097	44,000	20,000
09 Equipment	173,406	92,089	101,000
10 Lands and structures	56,017		
11 Grants, subsidies, and contributions	7,707	20,400	
15 Taxes and assessments	271	1,000	
Total obligations	670,286	1,304,789	839,900

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; [$5,866,000; 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] *$7,601,000. (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; 46 U. S. C. 1271–1279; determination of the Bureau of the Budget, 23 FR 2304; 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; Act of Aug. 1, 1958, 72 Stat. 479; Act of Aug. 12, 1958, 72 Stat. 563; Act of Sept. 2, 1958, 72 Stat. 1685; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Appropriated 1959, [a] **$5,951,000** Estimate 1960, [b] **$7,601,000**

[a] Includes $85,000 appropriated in Supplemental Appropriation Act, 1959.
[b] Includes $37,700 for activities previously carried under "Management and investigations of resources," Bureau of Sport Fisheries and Wildlife. The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Management	$108,086	$143,800	$143,800
2. Marketing and technology	1,212,598	1,481,650	2,045,700
3. Research	3,060,327	3,217,300	3,375,600
4. Research on fish migration over dams	271,616	291,200	291,200
5. Administration of Alaska fisheries:			
(*a*) Definite	1,279,163	1,209,750	1,664,700
(*b*) Indefinite	377,689	454,621	
6. Fishing vessel mortgage insurance			80,000
7. 1959 program obligated in 1958	57,214	−57,214	
Total obligations	6,366,693	6,741,107	7,601,000
Financing:			
Comparative transfers from (−) other accounts	−35,000	−37,700	
1959 appropriation available in 1958	−57,214	57,214	
Unobligated balance brought forward	−17,731		
Unobligated balance no longer available	51,574		
New obligational authority	6,308,322	6,760,621	7,601,000
New obligational authority:			
Appropriation:			
Definite	$5,781,000	$6,306,000	$7,601,000
Indefinite	446,288	153,996	
Transferred from—			
"Operation and maintenance," Southeastern Power Administration (72 Stat. 54)	76,034		
"Marketing research and services," Agricultural Marketing Service, Department of Agriculture (70 Stat. 1119)	5,000		
"Administration of Pribilof Islands" (72 Stat. 785) (indefinite)		300,625	
Appropriation (adjusted):			
Definite	5,862,034	5,951,000	7,601,000
Indefinite	446,288	454,621	
Proposed supplemental due to pay increases		355,000	

1. *Management.*—This activity covers enforcement of international agreements pertaining to fish and whales.

2. *Marketing and technology.*—This includes (*a*) collecting and 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*) compiling and publishing commercial fishery statistics; and (*e*) developing and demonstrating more efficient means of handling, processing, storing, and marketing, including inspection and grading, of 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 1958, these supplementary funds totaled $2,486,525. It is estimated they will amount to $2,260,870 in 1959 and $1,894,365 in 1960.

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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 1958, these supplementary funds totaled $2,711,669. It is estimated they will amount to $2,455,085 in 1959 and $2,329,500 in 1960.

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 commercial fisheries including review of, and enforcement of national and international regulations. This function is to be transferred to Alaska upon certification by the Secretary of Interior that the Alaska State legislature has made adequate provision for exercising the function in the broad national interest. Pribilof Island receipts will no longer be available for this activity.

6. *Fishing vessel mortgage insurance.*—This activity provides for administration of the fishing vessel mortgage insurance program, designed to aid the fishing industry to finance the construction of fishing vessels.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	632	673	707
Full-time equivalent of all other positions	110	119	103
Average number of all employees	684	749	799
Number of employees at end of year	818	890	950
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
Average salary of ungraded positions	$4,112	$4,146	$4,247
01 Personal services:			
Permanent positions	$3,222,480	$3,759,300	$4,224,000
Positions other than permanent	591,428	647,500	613,600
Other personal services	237,346	190,800	186,400
Total personal services	4,051,254	4,597,600	5,024,000
02 Travel	263,943	265,700	265,000
03 Transportation of things	53,128	44,100	60,400
04 Communication services	89,698	104,400	146,800
05 Rents and utility services	88,197	125,400	157,800
06 Printing and reproduction	66,465	80,800	101,300
07 Other contractual services	660,961	685,300	771,000
08 Supplies and materials	687,346	518,796	525,100
09 Equipment	160,527	141,000	257,100
10 Lands and structures	1,065	1,500	3,800
11 Grants, subsidies, and contributions	170,224	230,600	280,000
13 Refunds, awards, and indemnities	411	625	100
15 Taxes and assessments	21,374	7,600	13,700
1959 program obligated in 1958	57,214	−57,214	
Subtotal	6,371,807	6,746,207	7,606,100
Deduct quarters and subsistence charges	5,114	5,100	5,100
Total obligations	6,366,693	6,741,107	7,601,000

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, [$500,000] *$245,000*, 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, 1959.*)

Appropriated 1959, **$500,000** Estimate 1960, **$245,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Fishery facilities (total obligations)	$740,476	$1,363,290	$245,000
Financing:			
Unobligated balance brought forward	−903,766	−863,290	
Unobligated balance carried forward	863,290		
Appropriation (new obligational authority)	700,000	500,000	245,000

Projects proposed for 1960 are installation of a saltwater system at the Galveston, Tex., laboratory; repairs to and improvement of docking facilities at the laboratory at Pascagoula, Miss.; and construction of a laboratory-quarters building at Karluk Lake, Alaska.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Full-time equivalent of all other positions	2	7	1
Average number of all employees	2	7	1
Number of employees at end of year	0	0	0
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
01 Personal services:			
Positions other than permanent	$11,941	$43,225	$5,000
Other personal services	36		
Total personal services	11,977	43,225	5,000
02 Travel	2,782	2,000	2,000
03 Transportation of things	2		
04 Communication services	122		
05 Rents and utility services	56		
06 Printing and reproduction	188		
07 Other contractual services	76,021	4,415	7,400
08 Supplies and materials	3,667	40,000	
09 Equipment			30,000
10 Lands and structures	645,096	1,272,290	200,300
11 Grants, subsidies, and contributions	546	585	300
15 Taxes and assessments	19	775	
Total obligations	740,476	1,363,290	245,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Commercial Fisheries, including such expenses in the regional offices, [$175,000] *$325,200*. (*5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$175,000** Estimate 1960, [a] **$325,200**

[a] Includes $135,200 for activities previously carried under "General administrative expenses," Bureau of Sport Fisheries and Wildlife. The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental expense	$46,498	$188,200	$188,200
2. Regional office expense	287,749	137,000	137,000
Total obligations	334,247	325,200	325,200
Financing:			
Comparative transfers from (−) other accounts	−212,990	−135,200	
Unobligated balance no longer available	891		
New obligational authority	122,148	190,000	325,200
New obligational authority:			
Appropriation	$121,389	$175,000	$325,200
Transferred from "Operation and maintenance," Bureau of Reclamation (72 Stat. 243)	759		
Appropriation (adjusted)	122,148	175,000	325,200
Proposed supplemental due to pay increases		15,000	

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

Current authorizations—Continued

GENERAL ADMINISTRATIVE EXPENSES—continued

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	33	33	33
Full-time equivalent of all other positions	1		
Average number of all employees	30	32	32
Number of employees at end of year	31	33	33
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
01 Personal services:			
Permanent positions	$203,560	$270,800	$269,800
Positions other than permanent	4,000		
Other personal services	11,624	4,200	5,200
Total personal services	219,184	275,000	275,000
02 Travel	20,842	10,000	10,000
03 Transportation of things	3,315	1,000	1,000
04 Communication services	4,479	2,000	2,000
05 Rents and utility services	22,655	9,085	9,085
06 Printing and reproduction	182	1,500	1,500
07 Other contractual services	6,148	7,615	7,615
08 Supplies and materials	6,022	1,500	1,500
09 Equipment	41,074		
11 Grants, subsidies, and contributions	10,237	17,500	17,500
15 Taxes and assessments	109		
Total obligations	334,247	325,200	325,200

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] *not to exceed $1,940,000, to be derived from Pribilof Islands fund.*

[In addition to the appropriation under this head in the Department of the Interior and Related Agencies Appropriation Act, 1959 (Public Law 85–439), there is hereby appropriated $601,250 of the proceeds covered into the Treasury during the fiscal year 1959 from the June 7, 1958, sale of sealskins: *Provided*, That of said appropriation not to exceed $300,625 shall be transferred to and merged with the appropriation "Management and investigations of resources, Bureau of Sport Fisheries and Wildlife," for fiscal year 1959 and not to exceed $300,625 shall be transferred to and merged with the appropriation "Management and investigations of resources, Bureau of Commercial Fisheries," for fiscal year 1959.] *(5 U. S. C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; 72 Stat. 341; Department of the Interior and Related Agencies Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Appropriated (est.) 1959, **$1,340,431** Estimate 1960, **$1,940,000**
Appropriated (est.) (adjusted) 1959, **$739,181**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration of Pribilof Islands (total obligations)	$1,682,481	$1,851,500	$1,940,000
Financing:			
Unobligated balance brought forward	−721,169	−1,180,872	
Unobligated balance carried forward	1,180,872		
Unobligated balance no longer available		68,553	
New obligational authority	2,142,184	739,181	1,940,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$2,142,184	$1,340,431	$1,940,000
Transferred (72 Stat. 785) to—			
"Management and investigations of resources," Bureau of Sport Fisheries		−300,625	
"Management and investigations of resources," Bureau of Commercial Fisheries		−300,625	
Appropriation (adjusted)	2,142,184	739,181	1,940,000

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; (*b*) furnishing schooling, medical attention, and other community services to some 600 natives of the islands; (*c*) operation of a by-products plant for utilizing fur-seal carcasses; (*d*) maintenance of buildings and roads; and (*e*) maintenance and operation of a supply vessel.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	229	233	226
Full-time equivalent of all other positions	35	47	51
Average number of all employees	251	277	275
Number of employees at end of year	322	350	400
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
Average salary of ungraded positions	$4,112	$4,146	$4,247
01 Personal services:			
Permanent positions	$624,611	$746,600	$760,700
Positions other than permanent	118,545	166,400	178,100
Other personal services	102,658	110,300	122,200
Total personal services	845,814	1,023,300	1,061,000
02 Travel	8,843	28,400	29,500
03 Transportation of things	34,201	33,100	33,900
04 Communication services	4,272	3,400	4,100
05 Rents and utility services	5,479	5,500	5,700
06 Printing and reproduction	539	1,700	2,200
07 Other contractual services	243,421	276,000	276,400
08 Supplies and materials	459,523	449,000	451,500
09 Equipment	15,056	6,200	6,000
10 Lands and structures	195,055	150,000	193,000
11 Grants, subsidies, and contributions	37,393	43,000	44,600
15 Taxes and assessments	2,642	4,200	4,400
Subtotal	1,852,238	2,023,800	2,112,300
Deduct quarters and subsistence charges	169,757	172,300	172,300
Total obligations	1,682,481	1,851,500	1,940,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Construction, general," rivers and harbors and flood control, Army.
"Operation and maintenance, general," rivers and harbors and flood control, Army.
"Passamaquoddy tidal power survey," Department of State.

Permanent authorizations:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(Indefinite)

Appropriated 1959, **$0** Estimate 1960, **$0**
Appropriated (adjusted) 1959, **$4,786,415**
Estimate (adjusted) 1960, **$4,800,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Marketing and technology	$2,486,525	$2,260,870	$1,894,365
2. Research	2,711,669	2,455,085	2,329,500
3. General administrative services	291,274	319,240	322,800
Total obligations	5,489,468	5,035,195	4,546,665

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$1,211,384	−$373,067	−$124,287
Unobligated balance carried forward	373,067	124,287	377,622
New obligational authority	4,651,151	4,786,415	4,800,000
New obligational authority:			
Appropriation	$0	$0	$0
Transferred from "Removal of surplus agricultural commodities," Agricultural Marketing Service, Department of Agriculture (15 U. S. C. 713c-3, as amended)	4,651,151	4,786,415	4,800,000
Appropriation (adjusted)	4,651,151	4,786,415	4,800,000

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 also cover the expenses of the American Fisheries Advisory Committee (68 Stat. 376).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	495	502	412
Full-time equivalent of all other positions	52	42	35
Average number of all employees	473	511	431
Number of employees at end of year	556	560	499
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
Average salary of ungraded positions	$4,112	$4,146	$4,247
01 Personal services:			
Permanent positions	$2,208,504	$2,620,400	$2,175,000
Positions other than permanent	251,161	215,800	200,000
Other personal services	79,560	83,000	67,800
Total personal services	2,539,225	2,919,200	2,442,800
02 Travel	261,235	246,200	213,400
03 Transportation of things	56,932	59,800	45,200
04 Communication services	74,733	81,800	53,000
05 Rents and utility services	55,088	61,900	66,400
06 Printing and reproduction	78,416	99,300	81,600
07 Other contractual services	1,517,364	866,500	1,008,300
08 Supplies and materials	536,621	369,395	350,565
09 Equipment	237,139	149,200	142,400
10 Lands and structures	4,933	6,800	800
11 Grants, subsidies, and contributions	118,634	169,800	138,900
13 Refunds, awards, and indemnities	332		
15 Taxes and assessments	10,593	6,700	4,700
Subtotal	5,491,245	5,036,595	4,548,065
Deduct quarters and subsistence charges	1,777	1,400	1,400
Total obligations	5,489,468	5,035,195	4,546,665

PRIBILOF ISLANDS FUND

(Indefinite special fund)

Amounts Available for Appropriation

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance brought forward			$2,229,355
Receipts		$3,111,017	3,196,500
Total available for appropriation		3,111,017	5,425,855
Deduct appropriation for—			
"Administration of Pribilof Islands"			1,940,000
"Payment to Alaska from Pribilof Islands receipts"		[1] 881,662	879,550
Unappropriated balance returned to miscellaneous receipts of the Treasury			289,355
Unappropriated balance carried forward		2,229,355	2,316,950

[1] Based on 70% of estimated fiscal year 1959 sales receipts of $3,111,017 less estimated costs of administration of the Pribilof Islands ($1,851,500) during fiscal year 1959.

This fund is derived from the receipts of the sales of fur sealskins and other wildlife products of the Pribilof Islands, and is available for appropriation for Administration of the Pribilof Islands, and Payment to Alaska from Pribilof Islands receipts.

PAYMENT TO ALASKA FROM PRIBILOF ISLANDS RECEIPTS

(Indefinite special fund)

Appropriated (est.) 1959, **$881,662** Estimate 1960, **$879,550**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to Alaska (total obligations)		$881,662	$879,550
Financing:			
Appropriation (new obligational authority)		881,662	879,550

This appropriation provides for payment to the State of Alaska of 70% of the net proceeds from sales of fur sealskins and other wildlife products of the Pribilof Islands pursuant to the Alaska Statehood Act.

Public enterprise funds:

FEDERAL SHIP MORTGAGE INSURANCE FOR FISHING VESSELS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing			
Amounts becoming available: Premiums and inspection fees			$72,000
Unobligated balance carried forward			−72,000
Financing applied to program			

This fund provides for the deposit of premiums and fees collected under the fishing vessel mortgage insurance program for use in cases of default. (46 U. S. C. 1271–1279; act of Aug. 8, 1956, 70 Stat. 1119; Determination of the Bureau of the Budget, dated Mar. 22, 1958, 23 F. R. 2304.)

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Premium and inspection fees			$72,000
Budget expenditures			−72,000

Revenue, Expense, and Retained Earnings

Revenue			$72,000
Retained earnings, end of year			72,000

Financial Condition

Assets:			
Cash with Treasury and in banks			$72,000
Government investment:			
Retained earnings			72,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash				$72,000
Unobligated balance				72,000

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

Public enterprise funds—Continued

FISHERIES LOAN FUND

For additional capital for the fisheries loan fund, $3,000,000. (70 Stat. 1119; 72 Stat. 1710.)

Estimate 1960, **$3,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Fisheries loan commitments	$2 271, 567	$4, 900, 000	$4, 150, 000
2. Administrative expenses	188, 724	313, 000	313, 000
Total program (obligations)	2, 560, 291	5, 213, 000	4, 463, 000
Financing:			
Amounts becoming available:			
Appropriation			3, 000, 000
Collection of loans	408, 814	600, 000	1, 000, 000
Interest on loans	110, 902	320, 000	475, 000
Total amounts becoming available	519, 716	920, 000	4, 475. 000
Unobligated balance brought forward	6, 728, 277	4, 687. 702	394, 702
Total amounts available	7, 247, 993	5, 607, 702	4, 869. 702
Unobligated balance carried forward	−4. 687, 702	−394. 702	−406, 702
Financing applied to program	2, 560, 291	5, 213, 000	4, 463, 000

This fund finances 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. Loans bear interest of 5% annually and will mature in not more than 10 years. Loan commitments against the fund are made on approval of the Secretary of the Interior, and referred to the Small Business Administration for closing in the field and rendering loan servicing functions required (70 Stat. 1119).

Budget program—Loan commitments.—It is estimated that only $394,700 of the funds available for the program will remain unobligated at the end of 1959. The additional capital of $3 million is needed to finance the 1960 program. Commitments are expected to continue to increase through 1960. As of October 20, 1958, a total of 482 applications amounting to $17.2 million had been received. Of these, 260 loans totaling $6.9 million had been approved and 119 applications amounting to $3.8 million had been declined.

Administrative expenses.—These expenses include processing of loan applications, closing of loans, and collection of repayment and interest.

Financing.—The original authorization of $10 million was increased to $20 million by the act of September 2, 1958 (72 Stat. 1710). Of this amount, $10 million was appropriated in 1957, and an appropriation of $3 million is requested for 1960. Additional financing is provided 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)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loans made	$3, 109, 367	$3, 893, 780	$5, 775, 000
Administrative expenses	188, 724	313, 000	313, 000
Increase in selected working capital	15, 864	13, 610	25, 000
Total gross expenditures	3, 313, 955	4, 220, 390	6, 113, 000

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Loan repayments	$408, 814	$600, 000	$1, 000, 000
Interest on loans	110, 902	320, 000	475, 000
Total receipts from operations	519, 716	920, 000	1, 475, 000
Budget expenditures	2, 794, 239	3, 300, 390	4, 638, 000

Revenue, Expense, and Retained Earnings

Revenue	$110, 902	$320, 000	$475, 000
Expense	239, 860	386, 480	404, 310
Net income or loss (−) for the year	−128, 958	−66, 480	70, 690
Deficit (−), beginning of year	−85, 187	−214, 145	−280, 625
Deficit (−), end of year	−214, 145	−280, 625	−209, 935

Financial Condition

Assets:			
Cash with Treasury and in banks	$5, 830, 148	$2, 529, 758	$891, 758
Accounts receivable	34, 501	50, 000	75, 000
Loans receivable	3, 944, 317	7, 164, 617	11, 848, 307
Total assets	9, 808, 966	9, 744, 375	12, 815, 065
Liabilities:			
Current	23, 111	25, 000	25, 000
Government investment:			
Non-interest-bearing capital:			
Start of year	10, 000, 000	10, 000, 000	10, 000, 000
Appropriation during the year			3, 000, 000
End of year	10, 000, 000	10, 000, 000	13, 000, 000
Retained earnings (−)	−214, 145	−280, 625	−209, 935
Total Government investment	9, 785, 855	9, 719, 375	12, 790, 065

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$8, 624, 387	$5, 830, 148	$2, 529, 758	$891, 758
Obligated balance, net:				
Current liabilities	10, 772	23, 111	25, 000	25, 000
Undisbursed loan obligations	1, 891, 636	1, 153, 836	2, 160, 056	535, 056
Accounts receivable, net (−)	−6, 298	−34, 501	−50, 000	−75, 000
Total obligated balance	1, 896, 110	1, 142, 446	2, 135, 056	485, 056
Unobligated balance	6, 728, 277	4, 687, 702	394, 702	406, 702

LIMITATION ON ADMINISTRATIVE EXPENSES, FISHERIES LOAN FUND

During the current fiscal year not to exceed $313,000 of the fisheries loan fund shall be available for *administrative* expenses [of administering such fund]. *(Act of Sept. 2, 1958, 72 Stat. 1710; Department of the Interior and Related Agencies Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administrative expenses (total obligations)	$188, 724	$313, 000	$313, 000
Financing:			
Unobligated balance no longer available	124, 276		
Limitation	313, 000	313, 000	313, 000

Object Classification

BUREAU OF COMMERCIAL FISHERIES			
Total number of permanent positions	13	13	13
Average number of all employees	13	13	13
Number of employees at end of year	13	13	13

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
BUREAU OF COMMERCIAL FISHERIES—con.			
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
01 Personal services:			
Permanent positions	$69,035	$79,600	$82,900
Positions other than permanent	3,411	4,300	2,400
Other personal services	224	800	1,700
Total personal services	72,670	84,700	87,000
02 Travel	8,821	25,200	22,200
03 Transportation of things	1,105	2,000	2,300
04 Communication services	5,201	7,000	6,900
05 Rents and utility services	353	1,200	1,100
06 Printing and reproduction	563	6,400	6,300
07 Other contractual services	5,519	12,000	11,400
08 Supplies and materials	4,216	17,000	16,100
09 Equipment	1,751	2,000	4,200
11 Grants, subsidies, and contributions	4,063	5,400	5,400
15 Taxes and assessments	130	100	100
Total, Bureau of Commercial Fisheries	104,392	163,000	163,000
ALLOCATION TO SMALL BUSINESS ADMINISTRATION			
Total number of permanent positions	14	23	23
Average number of all employees	12	20	20
Number of employees at end of year	14	19	23
Average GS grade and salary	7.9 $5,977	7.8 $6,102	7.9 $6,178
01 Personal services:			
Permanent positions	$74,217	$120,000	$121,000
Other personal services	502	3,400	3,000
Total personal services	74,719	123,400	124,000
02 Travel	2,451	10,700	11,000
03 Transportation of things		500	500
04 Communication services	351	2,000	1,500
07 Other contractual services	1,739	4,500	4,000
08 Supplies and materials	369	1,000	1,000
11 Grants, subsidies, and contributions	4,703	7,900	8,000
Total, Small Business Administration	84,332	150,000	150,000
Total obligations	188,724	313,000	313,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Replacement of personal property sold	$4,057	$9,400	$10,300
2. Miscellaneous services to other accounts	290,915	216,908	217,400
Total obligations	294,972	226,308	227,700
Financing:			
Unobligated balance brought forward	515	3,508	
Advances and reimbursements from—			
Other accounts	293,908	213,400	217,400
Non-Federal sources (40 U. S. C. 481 (c); 58 Stat. 104)	4,057	9,400	10,300
Unobligated balance carried forward	−3,508		
Total financing	294,972	226,308	227,700

Object Classification

Total number of permanent positions	31	19	19
Full-time equivalent of all other positions		5	5
Average number of all employees	28	23	23
Number of employees at end of year	8	10	10
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
Average salary of ungraded positions	$4,112	$4,146	$4,247
01 Personal services:			
Permanent positions	$152,189	$99,650	$102,400
Positions other than permanent		34,700	34,800
Other personal services	4,881	450	800
Total personal services	157,070	134,800	138,000
02 Travel	3,217	900	1,000
03 Transportation of things	658	200	200
04 Communication services	567	200	300
05 Rents and utility services	237	1,700	1,700
06 Printing and reproduction	12,145	200	300
07 Other contractual services	$80,764	$49,700	$46,300
08 Supplies and materials	30,283	18,476	18,500
09 Equipment	5,366	9,600	10,500
11 Grants, subsidies, and contributions	4,498	10,532	10,800
15 Taxes and assessments	167		100
Total obligations	294,972	226,308	227,700

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the Fish and Wildlife Service shall be available for purchase of not to exceed [ninety-six] *one hundred and fourteen* passenger motor vehicles *of which one hundred and two shall be* for replacement only; purchase of not to exceed [nine] *six* 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, 1959.*)

OFFICE OF TERRITORIES

The Office promotes economic and political development in territorial trusteeship areas under United States jurisdiction. It originates and implements Federal policy, guides and coordinates certain 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, *and* American Samoa, as authorized by law (48 U. S. C., secs. [61,] 531, 1422, 1431a (c)), *and for the purchase of one passenger motor vehicle (at not to exceed $5,000)*; salaries of the Governor of the Virgin Islands, the Government Secretary, *the Government Comptroller*, and the members of their immediate staffs as authorized by law (48 U. S. C. 1591, *72 Stat. 1095*); compensation and mileage of members of the legislatures in [Alaska,] Hawaii, Guam, American Samoa, and the Virgin Islands as authorized by law (48 U. S. C., secs. [87,] 599, 1421d (e), 1431a (c), 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; [$2,100,000] *$2,606,000*: *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 com-

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OFFICE OF TERRITORIES—Continued

Current authorizations—Continued

ADMINISTRATION OF TERRITORIES—Continued

mercial transportation purposes found by the Secretary to be necessary. (*Executive Orders 6726, 10077, 10137; 48 U. S. C. 536, 561–620, 1391, 1421–1426b; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$2,100,000** Estimate 1960, **$2,606,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Territory of Alaska: (*a*) Governor's office	$104,752	$90,000	
2. Territory of Hawaii:			
(*a*) Governor's office	50,860	52,622	$53,100
(*b*) Legislative expense		79,000	
3. Virgin Islands:			
(*a*) Governor's office	65,999	81,342	81,725
(*b*) Legislative expense	8,849	12,600	12,600
(*c*) Comptroller's office			180,000
4. Guam:			
(*a*) Governor's office	71,475	96,924	97,500
(*b*) Legislative expense	19,200	23,300	23,300
5. American Samoa:			
(*a*) Governor's office	52,924	74,100	70,325
(*b*) Legislative expense	26,008	28,000	28,000
(*c*) Chief justice and high court	31,534	40,525	42,525
(*d*) Grants	1,169,400	1,169,400	1,708,700
6. Canton Island administration	10,293	14,004	14,225
7. General administration	309,250	316,723	294,000
Total obligations	1,920,544	2,078,540	2,606,000
Financing:			
Unobligated balance no longer available	9,456	21,460	
New obligational authority	1,930,000	2,100,000	2,606,000
New obligational authority:			
Appropriation	$1,965,000	$2,100,000	$2,606,000
Transferred to "Office of the solicitor" (72 Stat. 241)	35,000		
Appropriation (adjusted)	1,930,000	2,100,000	2,606,000

Provision is made for expenses of the Office of Territories, and for support of the governments of Hawaii, the Virgin Islands, Guam, and American Samoa.

The budget includes a new $180,000 item for the Office of the Comptroller of the Virgin Islands, and $500,000 additional for airport construction costs in American Samoa.

The grant to American Samoa is made to supplement local revenue for the operation of the government, the costs of which are distributed as follows:

Function:	*1958 actual*	*1959 estimate*	*1960 estimate*
1. Health, education, and welfare	$854,960	$886,850	$928,330
2. Economic and industrial development	87,832	127,850	76,500
3. Operation and maintenance	495,939	466,050	550,160
4. General administration	282,548	342,850	318,710
5. Construction	45,800	45,800	560,000
Total cost of government	1,767,079	1,869,400	2,433,700
Deduct local revenue applied	597,679	700,000	725,000
Total grants	1,169,400	1,169,400	1,708,700

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	78	78	89
Full-time equivalent of all other positions	8	8	8
Average number of all employees	72	78	91
Number of employees at end of year	64	64	89
Average GS grade and salary	9.0 $7,056	9.0 $7,537	8.0 $6,704
Average grade and salary established by—			
Act of July 31, 1956 (70 Stat. 740)	$19,000	$19,000	$19,000
Act of Aug. 28, 1958 (72 Stat. 1095)			$12,500
Average salary of ungraded positions	$4,402	$4,402	$2,502
01 Personal services:			
Permanent positions	$494,721	$558,290	$590,008
Positions other than permanent	5,711	10,074	8,509
Other personal services	78,780	173,223	125,776
Total personal services	579,212	741,587	724,293

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$46,816	$71,777	$59,940
03 Transportation of things	4,552	3,150	3,000
04 Communication services	18,942	12,680	13,680
05 Rents and utility services	924	2,020	1,620
06 Printing and reproduction	17,836	14,900	13,800
07 Other contractual services	25,806	15,771	17,814
08 Supplies and materials	13,589	11,200	13,800
09 Equipment	13,215	3,728	11,578
11 Grants, subsidies, and contributions	1,199,572	1,201,327	1,746,075
15 Taxes and assessments	80	400	400
Total obligations	1,920,544	2,078,540	2,606,000

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; [$4,715,000] *$5,225,000*: *Provided*, That the revolving fund for loans to locally owned private trading enterprises shall continue to be available during the fiscal year [1959] *1960*: *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, 1959.*)

Appropriated 1959, **$4,715,000** Estimate 1960, **$5,225,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. High commissioner's office	$56,356	$67,200	$67,200
2. Judiciary	56,888	57,800	67,800
3. Grants	6,035,500	4,750,000	5,090,000
Total obligations	6,148,744	4,875,000	5,225,000
Financing:			
Unobligated balance no longer available	1,256		
New obligational authority	6,150,000	4,875,000	5,225,000
New obligational authority:			
Appropriation	$4,800,000	$4,715,000	$5,225,000
Transferred (72 Stat. 54) from—			
"Salaries and expenses," Office of Oil and Gas	11,450		
"Salaries and expenses," Office of the Solicitor	11,125		
"Education and welfare services," Bureau of Indian Affairs	591,000		
"General administrative expenses," Bureau of Indian Affairs	17,000		
"Surveys, investigations, and research," Geological Survey	150,000		
"Conservation and development of mineral resources," Bureau of Mines	346,000		

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority—Continued			
Transferred (72 Stat. 54) from—Con.			
"Management and protection," National Park Service	$13,000		
"Maintenance and rehabilitation of physical facilities," National Park Service	10,000		
"Management and investigations of resources," Bureau of Sport Fisheries and Wildlife	200,425		
Appropriation (adjusted)	6,150,000	$4,715,000	$5,225,000
Proposed supplemental due to pay increases		160,000	

Under the terms of the Trusteeship Agreement with the Security Council of the United Nations, the United 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 60,000. The Department of the Interior is responsible for administration of all the territory except the islands of Saipan and the Tinian group 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 maintaining and providing the necessary facilities of the government of the territory. The costs of government are distributed as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
(*a*) Health, education, and other services	$1,580,465	$1,620,000	$1,821,000
(*b*) Operation and maintenance	1,495,616	1,400,000	1,489,000
(*c*) Transportation services (including new vessel)	1,552,257	1,333,000	1,382,000
(*d*) General administration	899,025	925,000	1,048,000
(*e*) Construction	473,109	900,000	850,000
(*f*) Typhoon damage	950,000		
Total	7,350,472	6,178,000	6,590,000
Construction work in progress	426,891		
Total	7,777,363	6,178,000	6,590,000
Deduct revenue and carryover applied	1,741,863	1,578,000	1,500,000
Subtotal	6,035,500	4,600,000	5,090,000
Proposed supplemental due to pay increases		150,000	
Total grants	6,035,500	4,750,000	5,090,000

(*a*) *Health, education, and other services.*—The government of the territory operates 6 hospitals and 2 leprosaria. There are 154 public elementary and 6 intermediate schools as well as a small central high school at Truk. Total public school enrollment for 1958 was approximately 8,600.

(*b*) *Operation and maintenance.*—The physical plant of the government requires abnormally costly maintenance due to the tropical climate.

(*c*) *Transportation services.*—At present the following vessels are being operated by private concerns under contract to provide for the transportation of supplies, copra, trade goods, and passengers throughout the Trust Territory: (1) 2 vessels of approximately 4,000 tons capacity used to transport goods and passengers from one district to another and one of which is on a scrap charter that is returning a profit above operating costs and (2) 8 smaller vessels that operate within a district area transporting cargo and passengers from the headquarters to outlying islands and return. An air service between Guam and district centers is provided by three government-owned amphibious aircraft which are operated under contract with a private concern.

(*e*) *Construction.*—An extended program was started in 1955 for construction of facilities to replace the temporary, advanced-base type plant installed by the Navy during and immediately following World War II.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	296	284	282
	Full time equivalent of all other positions	6	7	8
	Average number of all employees	229	286	276
	Number of employees at end of year	265	279	270
	Average GS grade and salary	8.3 $5,672	8.2 $6,349	8.2 $6,460
	Average salary of ungraded positions	$5,363	$5,596	$5,739
01	Personal services:			
	Permanent positions	$1,315,481	$1,702,934	$1,679,254
	Positions other than permanent	12,303	15,000	15,000
	Other personal services	305,175	388,481	392,127
	Total personal services	1,632,959	2,106,415	2,086,381
	Deduct amount for Federal employees paid from grant to trust territory	1,539,345	1,999,495	1,974,800
	Net personal services	93,614	106,920	111,581
02	Travel	11,512	7,085	10,794
03	Transportation of things	661	100	100
04	Communication services	132	250	250
05	Rents and utility services	1,066	550	550
06	Printing and reproduction		100	100
07	Other contractual services	67	1,350	1,350
08	Supplies and materials	2,278	1,945	3,075
09	Equipment	384	2,150	2,150
11	Grants, subsidies, and contributions	6,039,005	4,754,500	5,095,000
15	Taxes and assessments	25	50	50
	Total obligations	6,148,744	4,875,000	5,225,000

[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), $5,300,000, of which not to exceed $553,600 shall be available for administrative expenses.] (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$5,300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction	$6,921,102	$6,557,101	
2. Administration	523,950	553,600	
Total obligations	7,445,052	7,110,701	
Financing:			
Unobligated balance brought forward	−3,174,172	−1,810,701	
Recovery of prior year obligations	−81,581		
Unobligated balance carried forward	1,810,701		
Appropriation (new obligational authority)	6,000,000	5,300,000	

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 government of Alaska or other public bodies who request the projects. The authorization expires June 30, 1959.

1. *Construction.*—The status of construction and estimates for 1959 are as follows:

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OFFICE OF TERRITORIES—Continued

Current authorizations—Continued

[ALASKA PUBLIC WORKS]—Continued

[Dollars in thousands]

Type of project	Cumulative obligations as of June 30, 1958	Additional obligations incurred (1959 estimate)	Cumulative obligations as of June 30, 1959
Public buildings:			
Schools:			
Number contracted	58	3	61
Obligations	$34,774	$3,120	$37,894
Other public buildings:			
Number contracted	19	2	21
Obligations	$4,976	$376	$5,352
Streets and utilities:			
Number contracted	78	12	90
Obligations	$23,071	$3,615	$26,686
Total:			
Number contracted	155	17	172
Obligations	$62,821	$7,111	$69,932

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	58	58	
Average number of all employees	51	53	
Number of employees at end of year	52	52	
Average GS grade and salary	8.8 $6,530	8.8 $7,137	
Average salary of ungraded positions	$6,159	$6,559	
01 Personal services:			
Permanent positions	$350,258	$373,320	
Positions other than permanent	1,729	2,500	
Other personal services	68,731	79,180	
Total personal services	420,718	455,000	
02 Travel	32,209	25,000	
03 Transportation of things	5,027	10,000	
04 Communication services	9,504	6,000	
05 Rents and utility services	20,492	18,000	
06 Printing and reproduction	1,828	1,000	
07 Other contractual services	8,302	6,000	
08 Supplies and materials	4,217	3,000	
09 Equipment	1,242	600	
10 Lands and structures	6,921,102	6,557,101	
11 Grants, subsidies, and contributions	19,933	29,000	
15 Taxes and assessments	478		
Total obligations	7,445,052	7,110,701	

VIRGIN ISLANDS PUBLIC WORKS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction	$11,466	$75,009	
2. Administration	44	2,000	
Total obligations	11,510	77,009	
Financing:			
Unobligated balance brought forward	−366,365	−356,945	
Recovery of prior year obligations	−2,090		
Unobligated balance carried forward	356,945		
Unobligated balance no longer available		279,936	
Appropriation (new obligational authority)			

This program is in the process of liquidation. Public works projects 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

	1958 actual	1959 estimate	1960 estimate
02 Travel		$1,000	
04 Communication services		200	
06 Printing and reproduction	$6	800	
07 Other contractual services	38		
10 Lands and structures	11,466	75,009	
Total obligations	11,510	77,009	

Permanent authorizations:

INTERNAL REVENUE COLLECTIONS FOR VIRGIN ISLANDS

(Indefinite special fund)

Appropriated (est.) 1959, **$3,872,000** Estimate 1960, **$3,872,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to the Virgin Islands (total obligations)	$3,379,133	$3,872,000	$3,872,000
Financing:			
Appropriation (new obligational authority)	3,379,133	3,872,000	3,872,000

The local revenue collected annually by the government of the Virgin Islands is 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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$3,379,133	$3,872,000	$3,872,000

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 in excess of the minimum prescribed by the Classification Act of 1949, as amended, for grade GS–15, except the general manager of said railroad, one assistant general manager at not to exceed the minimum prescribed by said Act for GS–17, and five officers at not to exceed the minimum prescribed by said Act for grade GS–16. (*48 U. S. C. 301–308, Department of the Interior and Related Agencies Appropriation Act; 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs: [1]			
1. Rail line program:			
(a) Engineering branch	$2,861,118	$3,408,000	$3,408,000
(b) Motive power and equipment branch	3,405,856	3,900,000	3,900,000
(c) Division of traffic	139,307	154,000	154,000
(d) Division of operations	4,882,459	5,040,000	5,040,000
(e) Communications branch	215,931	268,000	268,000
(f) Incidental	247,997	326,000	326,000
(g) Administrative expenses	958,433	1,030,000	1,030,000
2. Other program:			
(a) Cost of power and steam sold	101,270	114,000	114,000
(b) Operation of facilities rented	261,099	229,000	229,000
(c) Cost of material and supplies sold	139,295	54,000	54,000
(d) Miscellaneous	29,148	21,000	21,000
(e) Nonoperating losses		[1] 171,413	
Total operating costs [1]	13,241,913	14,715,413	14,544,000
Unfunded adjustments to total operating costs: Depreciation included above (−)	−1,342,650	−1,527,000	−1,527,000
Total operating costs, funded	11,899,263	13,188,413	13,017,000
Capital outlay: Rail line program:			
Acquisition of roadbed, track, and structures	3,625,531	4,204,049	2,583,000
Acquisition of equipment	2,283,839	3,200.000	1,500,000
Total capital outlay	5,909,370	7,404,049	4,083,000
Total program costs, funded	17,808,633	20,592,462	17,100,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—)	—$1,291,652	—$800,000	—$400,000
Total program (obligations)	16,516,981	19,792,462	16,700,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Freight revenue	10,741,208	12,547,000	12,547,000
Other rail line revenue	2,003,046	2,146,060	2,146,000
Other program revenue	606,676	307,000	307,000
Nonoperating credits and prior year adjustments	1,415,708	79,895	
Total amounts becoming available	14,766,638	15,079,895	15,000,000
Unobligated balance brought forward	10,031,545	8,281,202	3,568,635
Total amounts available	24,798,183	23,361,097	18,568,635
Unobligated balance carried forward	—8,281,202	—3,568,635	—1,868,635
Financing applied to program	16,516,981	19,792,462	16,700,000

[1] Excludes working capital, net, transferred in without charge of $1,247,390 in 1958.

This fund is derived from the earnings of the railroad, and used for operating and maintenance expenses as well as improvements and additions (48 U. S. C. 301–308).

Budget program—1. *Rail line program.*—The railroad main line extends 470.3 miles from Seward to Fairbanks and 12.4 from Whittier to Portage Junction. Branch lines, passing tracks, spurs, and yards total 194.8 miles. Operating expense is estimated to increase from $12.7 million in 1958 to $14.2 million in 1959 and 1960, respectively. The increase in 1959 and 1960 represents additional operating costs of producing projected revenues. Revenues are expected to increase from $12.8 million in 1958 to $14.7 million in 1959 and 1960, respectively, by reason of increases in tonnage due to new military construction projects and the economic growth of the new State of Alaska.

Capital outlay totaled $5.9 million in 1958 and is estimated at $7.4 million in 1959 and $4.1 million in 1960, principally for track maintenance and repairs and for purchase of rolling stock equipment.

2. *Other program.*—These consist of costs of sale for excess property and rental of properties.

Operating results and financial conditions.—A decrease in the volume of traffic in 1958 was due to a general drop in business. The Alaska Railroad received for performing these freight and passenger services and other nonoperating programs revenue totaling $13.3 million, a decrease of 12.3% under the sum realized in 1957.

One contributing factor for the decrease in 1958 was a decline in construction projects. Local merchants were forced to reduce their inventories because of cutback in business during the early part of 1958. Earnings are retained to meet future needs.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Advances	$258,682	$406,784	$306,784	$306,784
Supplies, deferred charges, etc.	5,621,456	4,688,667	3,888,666	3,488,666
Unpaid undelivered orders	813,353	306,388	406,388	406,388
Total selected resources at end of year	6,693,491	5,401,839	4,601,838	4,201,838
Selected resources at start of year (—)		—6,693,491	—5,401,838	—4,601,838
Costs financed from obligations of other years, net (—)		—1,291,652	—800,000	—400,000

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Rail line operation program:			
Acquisition of assets	$5,909,370	$7,404,049	$4,083,000
Expense	11,503,626	12,812,785	12,813,000
Other operations: Expense	388,518	204,000	204,000
Working capital absorbed		171,413	
Increase in selected working capital	1,629,903		
Total gross expenditures	19,431,417	20,592,247	17,100,000
Receipts from operations (funds provided):			
Rail line operation program: Revenue	12,744,254	14,693,000	14,693,000
Other operations: Revenue	606,676	307,000	307,000
Donated working capital and other adjustments	1,247,390		
Adjustment of prior year revenue	168,318	79,895	
Decrease in selected working capital		912,352	100,000
Total receipts from operations	14,766,638	15,992,247	15,100,000
Budget expenditures	4,664,779	4,600,000	2,000,000

Revenue, Expense, and Retained Earnings

Rail line operation program:			
Revenue	$12,744,254	$14,693,000	$14,693,000
Expense	12,711,101	14,240,000	14,240,000
Net operating income, rail line operation program	33,153	453,000	453,000
Other operations:			
Revenue	606,676	307,000	307,000
Expense	530,812	304,000	304,000
Net other operations income	75,864	3,000	3,000
Net income for the year	109,017	456,000	456,000
Analysis of retained earnings:			
Retained earnings, beginning of year	4,642,770	4,920,105	5,456,000
Prior year adjustment of revenue	168,318	79,895	
Retained earnings, end of year	4,920,105	5,456,000	5,912,000

Financial Condition

Assets:			
Cash with Treasury and in banks	$9,385,023	$4,785,023	$2,785,023
Accounts receivable, net	1,894,852	1,790,000	1,690,000
Advances	406,784	306,784	306,784
Supplies, deferred charges, etc.	4,688,667	3,888,666	3,488,666
Lands, structures, and equipment, net	118,408,478	124,285,527	126,841,527
Total assets	134,783,804	135,056,000	135,112,000
Liabilities:			
Current	2,692,286	2,600,000	2,200,000
Government investment:			
Non-interest-bearing capital:			
Start of year	125,924,023	127,171,413	127,000,000
Invested and donated capital adjustments	1,247,390	—171,413	
End of year	127,171,413	127,000,000	127,000,000
Retained earnings	4,920,105	5,456,000	5,912,000
Total Government investment	132,091,518	132,456,000	132,912,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$14,049,802	$9,385,023	$4,785,023	$2,785,023
Obligated balances, net:				
Current liabilities	4,961,753	2,692,286	2,600,000	2,200,000
Unpaid undelivered orders	813,353	306,388	406,388	406,388
Accounts receivable, net, and cash in transit (—)	—1,756,849	—1,894,853	—1,790,000	—1,690,000
Total obligated balance	4,018,257	1,103,821	1,216,388	916,388
Unobligated balance	10,031,545	8,281,202	3,568,635	1,868,635

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OFFICE OF TERRITORIES—Continued

Public enterprise funds—Continued

Alaska Railroad Revolving Fund—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,494	1,330	1,320
Average number of all employees	1,269	1,260	1,250
Number of employees at end of year	1,214	1,275	1,260
Average salary of ungraded positions	$6,860	$7,060	$7,180
01 Personal services:			
Permanent positions	$8,660,584	$8,872,000	$8,949,000
Positions other than permanent	68,321	75,000	75,000
Other personal services	278,697	238,000	238,000
Total personal services	9,007,602	9,185,000	9,262,000
02 Travel	70,186	70,000	70,000
03 Transportation of things	151,491	180,000	150,000
04 Communication services	25,324	25,000	25,000
05 Rents and utility services	155,045	160,000	160,000
06 Printing and reproduction	6,106	7,000	7,000
07 Other contractual services	1,357,609	2,418,413	2,180,000
08 Supplies and materials	1,256,176	1,300,000	1,200,000
09 Equipment	1,524,708	2,700,000	1,253,000
10 Lands and structures	3,511,822	3,764,049	2,000,000
11 Grants, subsidies, and contributions	672,362	715,000	725,000
13 Refunds, awards, and indemnities	81,761	80,000	80,000
Subtotal	17,820,192	20,604,462	17,112,000
Deduct quarters and subsistence charges	11,559	12,000	12,000
Total accrued expenditures	17,808,633	20,592,462	17,100,000

Loans to Private Trading Enterprises, Trust Territory of the Pacific Islands

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Capital outlay: Loan program (costs—obligations)	$115,000	$100,000	$100,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection on loans	101,350	120,000	120,000
Interest on loans	12,294	13,000	10,000
Total amounts becoming available	113,644	133,000	130,000
Unobligated balance brought forward	241,258	239,902	233,079
Total amounts available	354,902	372,902	363,079
Capital transfer (payment of profits to Treasury) (−)		−39,823	−10,000
Unobligated balance carried forward	−239,902	−233,079	−253,079
Financing applied to program	115,000	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 (55 Stat. 151).

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, 1958, and 1959 and it is proposed to extend it again for 1960.

Interest charged is 4% per annum on the unpaid balance.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loans to private trading enterprises	$115,000	$100,000	$100,000
Receipts from operations (funds provided):			
Loan program:			
Collection of loans	101,350	120,000	120,000

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided)—Continued			
Loan program—Continued			
Revenue	$12,294	$13,000	$10,000
Total receipts from operations	113,644	133,000	130,000
Budget expenditures	1,356	−33,000	−30,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue (net income for the year)	$12,294	$13,000	$10,000
Analysis of retained earnings:			
Retained earnings, beginning of year	14,529	26,823	
Payment of profits to Treasury (−)		−39,823	−10,000
Retained earnings, end of year	26,823		

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash	$239,902	$233,079	$253,079
Loans receivable	286,921	266,921	246,921
Total assets	526,823	500,000	500,000
Government investment:			
Non-interest-bearing capital (start and end of year)	500,000	500,000	500,000
Retained earnings	26,823		
Total Government investment	526,823	500,000	500,000

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$241,258	$239,902	$233,079	$253,079
Unobligated balance	241,258	239,902	233,079	253,079

Object Classification

	1958 actual	1959 estimate	1960 estimate
16 Investments and loans	$115,000	$100,000	$100,000

VIRGIN ISLANDS CORPORATION

Contributions

For payment to the Virgin Islands Corporation in the form of grants, as authorized by law, $130,000. (*48 U. S. C. 1407g; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$130,000** Estimate 1960, **$130,000**

Operating Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Loan program: Administration	$883	$800	$900
2. Sugar program:			
Production of sugar	1,303,075	1,627,100	1,791,900
Administration	88,482	104,500	105,200
3. Power program:			
Production and distribution of power	637,823	665,300	720,800
Administration	38,125	35,500	35,600
4. Miscellaneous revenue-producing activities:			
Expense	362,532	350,600	349,800
Administration	31,742	31,200	30,300
5. Non-revenue-producing activities	132,411	150,649	130,000
6. Interest on borrowings from Treasury	168,119	171,700	186,300
Total operating costs	2,763,192	3,137,349	3,350,800
Unfunded adjustment to total operating costs: Depreciation included above (−)	−323,740	−342,200	−356,100
Total operating costs, funded	2,439,452	2,795,149	2,994,700

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Capital outlay:			
1. Loan program: Loans acquired	$3,589	$53,500	$50,000
2. Sugar program: Acquisition of—			
Land and structures	95,459	4,000	25,000
Equipment	244,849	276,300	100,000
3. Power program: Acquisition of—			
Plant and office equipment	138,613	430,000	
Distribution lines	171,584	100,000	75,000
Total capital outlay	654,094	863,800	250,000
Total program costs, funded	3,093,546	3,658,949	3,244,700
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−70,112		−5,000
Obligations incurred for costs of other years, net		8,298	
Total program (obligations)	3,023,434	3,667,247	3,239,700
Financing:			
Amounts becoming available:			
Appropriation	524,000	130,000	130,000
Revenue and receipts:			
Collection of loans	31,550	18,100	68,400
Proceeds from sale of equipment and buildings	45,821		
Interest on loans	9,318	8,600	10,300
Sale of commodities	847,029	1,774,100	1,995,800
Sale of power	845,860	892,300	963,500
Other receipts	363,318	359,800	357,000
Repayment of long term accounts receivable	21,564	21,564	21,564
Donated working capital	22,947		
Total amounts becoming available	2,711,407	3,204,464	3,546,564
Unobligated balance brought forward:			
Cash (operating fund)	1,146,469	384,442	834,659
Appropriation	463,000	913,000	
Total amounts available	4,320,876	4,501,906	4,381,223
Unobligated balance carried forward:			
Cash (operating fund)	384,442	834,659	1,141,523
Appropriation	913,000		
Financing applied to program	3,023,434	3,667,247	3,239,700

The Corporation promotes the economic development of the United States Virgin Islands. Appropriations not to exceed 11 million are authorized to be made to a revolving fund based on annual budgets submitted by the Corporation. An appropriation of additional funds as grants to finance non-revenue-producing activities 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 costs are as follows (costs include depreciation and interest):

	1958 actual	*1959 estimate*	*1960 estimate*
Sugarcane production:			
Acres harvested	2,576.50	2,600	2,600
Tons per acre	14.64	29	29
Sugar manufacture: Tons of cane ground:			
Corporation cane	37,729	75,000	75,000
Purchased cane	25,548	50,000	60,000
Total	63,277	125,000	135,000
Sugar yield per ton of cane (percent)	9.63	10.5	11
Tons of sugar produced	5,985	13,125	14,850
Total cost per ton	$248.92	$140.21	$135.29
Income per ton of sugar	141.54	135.17	134.40
Loss (−) per ton	−107.38	−5.04	−.89

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:

	1958 actual	*1959 estimate*	*1960 estimate*
Generating capacity (kilowatts)	7,230	10,230	10,230
Miles of distribution lines	462	482	507
Number of consumers	8,373	8,600	9,000
Kilowatt-hours sold	19,574,626	21,500,000	23,500,000
Average income per kilowatt-hour (cents)	4.32	4.15	4.10
Average cost per kilowatt-hour (cents)	3.76	3.51	3.50
Profit per kilowatt-hour (cents)	.56	.64	.60

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 supplies and materials.

5. *Non-revenue-producing activities.*—These include water and soil conservation programs, particularly the construction of dams and land clearance, and forest development program.

6. *Administrative expenses.*—Administrative expenses for 1960 will be held within a limitation of $172,000.

Financing.—In addition to the receipts of the fund from its operations, appropriations are made for the Corporation as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Grants for non-revenue-producing activities	$130,000	$130,000	$130,000
Grants to restore impairment of capital	394,000		
Total appropriation	524,000	130,000	130,000

The financing of the non-revenue-producing activities is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Unexpended grant at start of year	$23,060	$20,649	
Additional grant for year	130,000	130,000	$130,000
Total appropriations and balances	153,060	150,649	130,000
Expense during year	132,411	150,649	130,000
Unexpended grant at end of year	20,649		

The sum of $11,000,000 has been authorized for loans to the Corporation, of which $6,513,000 has been appropriated. The budget program contemplates the enactment of $1,500,000 of supplemental authorizations for 1959 under Proposed for later transmission.

Operating results.—The net loss for 1958 amounted to $538,681. This amount is made up of a loss on sugarcane and sugar operations of $642,628; on power, a profit of $110,127 and on other activities, a loss of $6,180. The setback in the sugar program was due to a severe drought during 1957 calendar year and also in the early months of 1958. Earnings are retained to meet future requirements.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventory, supplies, deferred charges, etc	$899,067	$863,910	$910,000	$895,000
Unpaid undelivered orders	262,747	227,792	190,000	200,000
Total selected resources at end of year	1,161,814	1,091,702	1,100,000	1,095,000
Selected resources at start of year (−)		−1,161,814	−1,091,702	−1,100,000
Costs financed from obligations of other years, net (−)		−70,112		−5,000
Obligations incurred for costs of other years, net			8,298	

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VIRGIN ISLANDS CORPORATION—Continued

OPERATING FUND—Continued

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$3,589	$53,500	$50,000
Expense	6,008	5,100	6,100
Sugar program:			
Acquisition of equipment	340,308	280,300	125,000
Expense:			
Purchase of commodities for manufacture or sale	354,281	530,689	445,000
Other expense	877,934	1,191,100	1,355,100
Power program:			
Acquisition of equipment	310,197	530,000	75,000
Expense	634,329	643,400	700,000
Miscellaneous revenue-producing activities: Expense	367,702	354,900	353,500
Non-revenue-producing activities:			
Water and soil conservation	100,808	109,813	100,000
Reforestation	31,603	40,836	30,000
Increase in selected working capital		235,628	216,200
Total gross expenditures	3,026,759	3,975,266	3,455,900
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	31,550	18,100	68,400
Revenue	9,318	8,600	10,300
Sugar program:			
Revenue	847,029	1,774,100	1,995,800
Repayment of long-term accounts receivable	21,564	21,564	21,564
Power program: Revenue	845,860	892,300	963,500
Miscellaneous programs: Revenue	363,318	359,800	357,000
Proceeds from sale of equipment and buildings	45,821		
Donated working capital	22,947		
Decrease in selected working capital	839,337		
Total receipts from operations	3,026,744	3,074,464	3,416,564
Budget expenditures	15	900,802	39,336

Revenue, Expense, and Retained Earnings

Loan program:			
Revenue	$9,318	$8,600	$10,300
Expense	6,008	5,100	6,100
Net operating income, loan program	3,310	3,500	4,200
Sugar program:			
Revenue	847,029	1,774,100	1,995,800
Expense	1,489,657	1,840,300	2,009,000
Net operating loss (−), sugar program	−642,628	−66,200	−13,200
Power program:			
Revenue	845,860	892,300	963,500
Expense	735,733	755,700	821,800
Net operating income, power program	110,127	136,600	141,700
Miscellaneous revenue producing activities:			
Revenue	363,318	359,800	357,000
Expense	399,383	385,600	383,900
Net operating loss (−), miscellaneous revenue producing activities	−36,065	−25,800	−26,900
Nonoperating income:			
Proceeds from sale of equipment and buildings	45,821		
Net book value of assets sold	−19,246		
Net nonoperating income	26,575		
Net income or loss (−) for the year	−538,681	48,100	105,800
Analysis of deficit:			
Deficit (−), beginning of year	−51,028	−195,709	−147,609
Grants for operating losses	394,000		
Deficit (−), end of year	−195,709	−147,609	−41,809

NOTE.—Excludes expense for activities budgeted as predominantly non-revenue-producing, financed by appropriations as follows: 1957, $130,000; 1958, $130,000; 1959, $130,000: 1960, $130,000.

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash:			
With Treasury and in banks	$101,780	$243,978	$334,642
On hand and in transit	580	580	580
Accounts receivable, net	1,051,461	1,246,901	1,489,801
Commodities for sale (sugarcane in fields)	79,311	160,000	155,000
Vegetables	440		
Supplies, deferred charges, etc	784,159	750,000	740,000
Loans receivable, net	171,359	206,759	188,359
Land, structures, and equipment, net	5,194,536	5,662,636	5,506,536
Long term accounts receivable	294,477	272,913	251,349
Total assets	7,678,103	8,543,767	8,666,267
Liabilities:			
Current	541,587	466,800	483,500
Government investment:			
Interest-bearing capital:			
Start of year	6,988,629	6,538,629	7,451,629
Loans from appropriations during year, net	−450,000	913,000	
End of year	6,538,629	7,451,629	7,451,629
Non-interest-bearing capital:			
Start of year	750,000	793,596	772,947
Donated working capital during year	22,947		
Unexpended or expended (−) grants for non-revenue-producing activities	20,649	−20,649	
End of year	793,596	772,947	772,947
Deficit (−)	−195,709	−147,609	−41,809
Total Government investment	7,136,516	8,076,967	8,182,767

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$27,795	$101,780	$243,978	$334,642
Budget authorizations	463,000	913,000		
Total unexpended balance	490,795	1,014,780	243,978	334,642
Obligated balance, net:				
Current liabilities	828,648	541,587	466,800	483,500
Unpaid undelivered orders	262,747	227,792	190,000	200,000
Accounts receivable, net (−)	−2,210,069	−1,052,041	−1,247,481	−1,490,381
Total obligated balance	−1,118,674	−282,662	−590,681	−806,881
Unobligated balance	1,609,469	1,297,442	834,659	1,141,523

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 [1959] *1960*: *Provided*, That not to exceed [$160,000] *$172,000* shall be available for administrative expenses (to be computed on an accrual basis) of the Corporation, covering the categories set forth in the [1959] *1960* budget estimates for such expenses. (*Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Sales program (total obligations)	$159,232	$172,000	$172,000
Financing:			
Unobligated balance no longer available	768		
Limitation	160,000	160,000	172,000
Proposed increase in limitation due to pay increases		12,000	

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	633	684	681
Full-time equivalent of all other positions	82	114	118
Average number of all employees	715	798	799
Number of employees at end of year	700	736	735
Average salary of ungraded positions	$1,714	$1,738	$1,757
01 Personal services:			
Permanent positions	$1,050,150	$1,170,400	$1,180,200
Positions other than permanent	86,703	120,000	125,000
Other personal services	29,869	25,000	22,000
Excess of annual leave earned over annual leave taken	13,960	5,000	5,000
Total personal services	1,180,682	1,320,400	1,332,200
Deduct portion not chargeable to limitation	1,063,922	1,193,600	1,203,200
Net personal services	116,760	126,800	129,000
02 Travel	14,557	14,800	14,500
04 Communication services	2,697	3,600	3,500
06 Printing and reproduction	623	900	800
07 Other contractual services	20,842	21,000	19,500
08 Supplies and materials	2,933	3,200	3,300
11 Grants, subsidies, and contributions	820	1,700	1,400
Total accrued administrative expenses	159,232	172,000	172,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$3,697	$3,000	$3,000
Financing:			
Advances and reimbursements from other accounts	3,697	3,000	3,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1		
Number of employees at end of year	0		
Average GS grade and salary	6.0 $4,790		
01 Personal services: Permanent positions	$1,339		
02 Travel	1,022	$1,500	$1,500
04 Communication services	1,336	1,500	1,500
Total obligations	3,697	3,000	3,000

Proposed for later transmission:

OPERATING FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of saline water conversion plant		$850,000	
Production and distribution of power		650,000	
Total program (costs—obligations)		1,500,000	
Financing:			
Proposed—			
Authorization to expend from public debt receipts		850,000	
Supplemental appropriation		650,000	
Total applied to financing		1,500,000	

Under existing legislation, 1959.—Supplemental authorizations for 1959 in the amount of $1,500,000 are anticipated for the production and distribution of power and for the installation of water distillation facilities on St. Thomas, Virgin Islands.

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] *$2,706,600.* (*5 U. S. C. 481–502; Department of the Interior and Related Agencies Appropriation Act, 1959.*)

Appropriated 1959, **$2,500,000** Estimate 1960, **$2,706,600**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental direction	$390,355	$391,300	$391,300
2. Program direction and coordination	812,767	884,300	884,300
3. Administrative management services	1,244,013	1,332,300	1,332,300
4. General services	83,897	98,700	98,700
5. 1959 program obligated in 1958	5,500	−5,500	
Total obligations	2,536,532	2,701,100	2,706,600
Financing:			
1959 appropriation available in 1958	−5,500	5,500	
Unobligated balance no longer available	29,968		
New obligational authority	2,561,000	2,706,600	2,706,600
New obligational authority:			
Appropriation	$2,500,000	$2,500,000	$2,706,600
Transferred from "Operation and maintenance," Bureau of Reclamation (72 Stat. 243)	61,000		
Appropriation (adjusted)	2,561,000	2,500,000	2,706,600
Proposed supplemental due to pay increases		206,600	

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	300	296	296
Full-time equivalent of all other positions	3	1	1
Average number of all employees	280	287	282
Number of employees at end of year	280	289	289
Average GS grade and salary	8.7 $6,936	9.1 $7,720	9.1 $7,817
01 Personal services:			
Permanent positions	$2,069,323	$2,263,120	$2,255,140
Positions other than permanent	31,644	13,000	13,000
Other personal services	21,046	15,180	23,160
Total personal services	2,122,013	2,291,300	2,291,300
02 Travel	98,010	101,500	101,500
03 Transportation of things	1,312	300	300
04 Communication services	33,050	36,300	36,300
06 Printing and reproduction	39,684	43,000	43,000
07 Other contractual services	8,977	8,100	8,100
Services performed by other agencies	51,296	50,000	50,000
08 Supplies and materials	25,078	19,300	19,300
09 Equipment	20,057	7,900	7,900
11 Grants, subsidies, and contributions	128,099	146,900	146,900
13 Refunds, awards, and indemnities	2,700	1,700	1,700
15 Taxes and assessments	756	300	300
1959 program obligated in 1958	5,500	−5,500	
Total obligations	2,536,532	2,701,100	2,706,600

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds:

Working Capital Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$385,384	$390,000	$390,000
Other expenses	1,305,750	1,375,000	1,382,000
Chargeoff of inventory	233		
Charged off of fixed assets	195		
Net gain (−) from sale of fixed assets	−475		
Total operating costs	1,691,087	1,765,000	1,772,000
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−14,829	−15,000	−15,000
Adjustment of costs included above not requiring funding	280		
Total operating costs, funded	1,676,538	1,750,000	1,757,000
Capital outlay: Purchase of equipment [1]	22,045	15,000	15,000
Total program costs, funded	1,698,583	1,765,000	1,772,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−4,040	
Obligations incurred for costs of other years, net	20,206		
Total program (obligations)	1,718,789	1,760,960	1,772,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of equipment	1,027	1,000	1,000
Sale of goods and services	1,673,316	1,765,000	1,772,000
Increase or decrease (−) in accepted orders on hand	35,558	−558	
Total amounts becoming available	1,709,901	1,765,442	1,773,000
Unobligated balance brought forward	231,662	222,774	227,256
Total amounts available	1,941,563	1,988,216	2,000,256
Unobligated balance carried forward	−222,774	−227,256	−228,256
Financing applied to program	1,718,789	1,760,960	1,772,000

[1] Excludes property transferred in without charge of $864 in 1958.

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. 502). The capital consists of $300,000 appropriated, donated assets of $176,329, and retained earnings of $27,191.

Budget program.—Operating costs are expected to continue at about the same level through 1960.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Commodities for sale	$84,182	$89,478	$89,478	$89,478
Materials and supplies	16,762	14,490	14,490	14,490
Unpaid undelivered orders	66,858	84,040	80,000	80,000
Total selected resources at end of year	167,802	188,008	183,968	183,968
Selected resources at start of year (−)	−167,802	−188,008	−183,968	−183,968
Costs financed from obligations of other years, net (−)		−4,040		
Obligations incurred for costs of other years, net	20,206			

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$22,045	$15,000	$15,000
Expense:			
Purchase of commodities for manufacture or sale	388,641	390,000	390,000
Other expense	1,290,921	1,360,000	1,367,000
Increase in selected working capital		6,226	
Total gross expenditures	1,701,607	1,771,226	1,772,000

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Revenue	$1,673,316	$1,765,000	$1,772,000
Proceeds from sale of equipment	1,027	1,000	1,000
Decrease in selected working capital	40,992		
Total receipts from operations	1,715,335	1,766,000	1,773,000
Budget expenditures	−13,728	5,226	−1,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$1,673,316	$1,765,000	$1,772,000
Expense	1,691,134	1,765,000	1,772,000
Net operating loss (−)	−17,818		
Nonoperating income or loss (−):			
Proceeds from sale of equipment	1,027	1,000	1,000
Net book value of assets sold (−)	−552	−1,000	−1,000
Net gain from sale	475		
Chargeoff of inventory and fixed assets (−)	−428		
Net nonoperating income	47		
Net loss (−) for the year	−17,771		
Retained earnings, beginning of year	44,962	27,191	27,191
Retained earnings, end of year	27,191	27,191	27,191

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$152,482	$147,256	$148,256
Accounts receivable, net	275,174	275,000	275,000
Commodities for sale	89,478	89,478	89,478
Materials and supplies	14,490	14,490	14,490
Machinery and equipment	128,296	127,296	126,296
Total assets	659,920	653,520	653,520
Liabilities:			
Current	156,400	150,000	150,000
Government investment:			
Non-interest-bearing capital:			
Start of year	475,465	476,329	476,329
Donated property	864		
End of year	476,329	476,329	476,329
Retained earnings	27,191	27,191	27,191
Total Government investment	503,520	503,520	503,520

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash in Treasury	$138,754	$152,482	$147,256	$148,256
Obligated balance, net:				
Current liabilities	164,322	156,400	150,000	150,000
Unpaid undelivered orders	66,858	84,040	80,000	80,000
Accounts receivable (−)	−324,088	−275,174	−275,000	−275,000
Accepted orders on hand (−)		−35,558	−35,000	−35,000
Total obligated balance	−92,908	−70,292	−80,000	−80,000
Unobligated balance	231,662	222,774	227,256	228,256

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	153	154	154
Full-time equivalent of all other positions	3	3	3
Average number of all employees	141	154	154
Number of employees at end of year	147	161	161
Average GS grade and salary	5.0 $4,710	5.2 $5,101	5.2 $5,152
Average salary of ungraded positions	$4,591	$4,454	$4,454
01 Personal services:			
Permanent positions	$648,165	$735,930	$739,454
Positions other than permanent	15,223	13,500	13,500
Other personal services	72,741	50,470	53,346
Excess of annual leave taken (−) over leave earned	−912		
Total personal services	735,217	799,900	806,300

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$11,353	$15,600	$15,600
03 Transportation of things	219	250	250
04 Communication services	326,601	331,100	331,100
05 Rents and utility services	660	650	650
06 Printing and reproduction	54,113	57,620	57,620
07 Other contractual services	52,370	35,480	35,480
08 Supplies and materials	439,027	441,700	442,200
09 Equipment	40,792	31,400	31,400
11 Grants, subsidies, and contributions	40,670	50,650	50,750
15 Taxes and assessments	585	650	650
Total accrued expenditures	1,701,607	1,765,000	1,772,000
Increase or decrease (—) in unpaid undelivered orders	17,182	—4,040	
Total obligations	1,718,789	1,760,960	1,772,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Standardization of geographic names: Security classified projects	$464,863	$490,900	$491,500
2. Miscellaneous services to other accounts	36,946	25,500	25,500
Total obligations	501,809	516,400	517,000
Financing:			
Unobligated balance brought forward	2,957	6,664	
Advances and reimbursements from other accounts	505,591	509,736	517,000
Unobligated balance carried forward	6,664		
Unobligated balance no longer available	75		
Total financing	501,809	516,400	517,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	81	84	82
Average number of all employees	81	79	77
Number of employees at end of year	72	79	75
Average GS grade and salary	7.1 $5,219	7.3 $5,865	7.4 $6,003
01 Personal services: Permanent positions	$436,768	$462,100	$460,400
Other personal services	8,003	1,700	3,400
Total personal services	444,771	463,800	463,800
02 Travel	10,375	1,400	2,000
04 Communication services	8,928	7,300	7,300
06 Printing and reproduction	1,612	1,600	1,600
07 Other contractual services	4,984	7,800	7,800
08 Supplies and materials	3,479	4,400	4,400
09 Equipment	2,976	300	300
11 Grants, subsidies, and contributions	24,214	29,200	29,200
15 Taxes and assessments	470	600	600
Total obligations	501,809	516,400	517,000

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, [1959] *1960*, 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, 1959.*)

[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, 1959.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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							$400	For use of the director, assistant director, and other division officials in Washington.
Office of the Solicitor: Salaries and expenses							5,000	For use of hearing examiners in the field.
Office of Minerals Exploration: Salaries and expenses							7,000	For use in making on-site examinations relative to applications and contracts.
Total, departmental offices							12,400	
BONNEVILLE POWER ADMINISTRATION								
Construction, operation, and maintenance.							70,000	Administrative and supervisory officials, construction and operation engineers, accountants, and other employees, located in Oregon, Washington, Idaho, and Montana, in carrying out assigned duties.
SOUTHEASTERN POWER ADMINISTRATION								
Operation and maintenance						2		Administrator, engineers, and other employees engaged in operation and maintenance activities.
SOUTHWESTERN POWER ADMINISTRATION								
Operation and maintenance						6		Power marketing personnel in connection with rates and customer service, engineers and operating crews engaged in system operation and maintenance activities, and administrative personnel in connection with property audits and meetings.
Station wagon	4	$7,800	4	$1,600	$6,200	5		Do.
Total, Southwestern Power Administration.	4	7,800	4	1,600	6,200	11		
BUREAU OF LAND MANAGEMENT								
Management of lands and resources	21	31,500	21	4,200	27,300	90		For use by supervisory officials; area and district personnel in the administration of public grazing lands, forest management, fire suppression and fire presuppression in widely scattered areas; surveys, investigations and examinations by field examiners and surveyors.
Station wagon	2	3,900	2	400	3,500	9		Do.
Bus						1		Do.
Coupe pickup						33		Do.
Total, Bureau of Land Management	23	35,400	23	4,600	30,800	133		
BUREAU OF INDIAN AFFAIRS								
Education and welfare services	67	100,500	67	10,050	90,450	177	105,000	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	13	25,350	13	2,600	22,750	48	30,000	Do.
Bus	40	140,000	40	11,000	129,000	269		Do.
Ambulance						3		Do.
Coupe pickup						7		Do.
Resources management	65	97,500	65	9,750	87,750	145	50,000	For use by field supervisory staff in the management of Indian forests and range resources, agriculture and extension, soil conservation, road maintenance, Indian trust property, maintenance of irrigation projects and maintenance and repair of buildings and utilities.
Station wagon	23	44,850	23	4,600	40,250	48	15,000	Do.
Coupe pickup						45		Do.
Construction	18	27,000	18	2,700	24,300	36	21,000	For use by supervisory staff and engineers in the construction of buildings and utilities and irrigation projects.
Station wagon	4	7,800	4	800	7,000	10	7,000	Do.
Coupe pickup						7		Do.
Road construction (liquidation of contract authorization).	15	22,500	15	2,250	20,250	28	8,000	For use by supervisory staff and engineers in the construction of roads and trails.
Station wagon	2	3,900	2	400	3,500	9	4,000	Do.
General administrative expenses	17	25,500	17	2,550	22,950	91	8,000	For use by administrative and supervisory staff in the administration of field activities of the Bureau of Indian Affairs.
Station wagon	1	1,950	1	200	1,750	7	2,000	Do.
Coupe pickup						3		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						3		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	2	3,900	2	400	3,500	18		Do.
Coupe pickup						13		Do.
Total, Bureau of Indian Affairs.	285	527,750	285	50,000	477,750	1,057	250,000	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960—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 RECLAMATION								
General investigations	5	$7,500	5	$850	$6,650	30	[1] $4,675	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.
Construction and rehabilitation	37	55,500	40	8,600	46,900	270	[1] 65,250	To provide essential transportation for engineers, survey parties, inspectors and supervisory personnel while on official duty in connection with the construction of irrigation structures and related works in the 17 Western States.
Station wagon	4	7,800	3	750	7,050	22		Do.
Operation and maintenance	26	39,000	28	6,160	32,840	169	[1] 5,750	For use of ditch riders, watermasters, engineers, and other employees while engaged on their official duties in the operation and maintenance of irrigation and power projects and field supervision of such work.
Station wagon	4	7,800	4	1,040	6,760	16	[1] 750	Do.
Bus						3		Do.
Ambulance						3		For emergency use of Bureau personnel.
General administrative expenses						7	[1] 9,900	For use of Bureau of Reclamation personnel while on official business in connection with supervision and staff work.
Station wagon							1,000	Do.
Upper Colorado River Basin fund	8	12,000	5	750	11,250	40		For use of Bureau of Reclamation personnel in investigation work, planning, construction, and administration.
Station wagon						4		Do.
Bus			[2] 1			1		Do.
Total, Bureau of Reclamation	84	129,600	86	18,150	111,450	565	[1] 87,325	
GEOLOGICAL SURVEY								
Surveys, investigations, and research	42	65,000	42	10,500	54,500	287	[3] 100,000	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	9	17,200	[4] 9	3,200	14,000	86		Do.
Total, Geological Survey	51	82,200	51	13,700	68,500	373	100,000	
BUREAU OF MINES								
Conservation and development of mineral resources	8	11,850	8	1,550	10,300	87	59,295	For use of mining engineers, metallurgists, other technical personnel and other employees in connection with the conservation and development of minerals program.
Station wagon						17		Do.
Bus						5		For transportation of employees from town to plants and transportation of schoolchildren.
Health and safety	60	90,000	60	6,000	84,000	233	32,200	Used by safety engineers, coal mine inspectors, and other personnel in carrying out the duties pertaining to health and safety.
Station wagon						9		Do.
General administrative expenses							203	For use of officials and other personnel of the administrative staff.
Station wagon	1	1,950	[5] 1	100	1,850		100	Do.
Development and operation of helium properties	4	6,000	4	700	5,300	14		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	2	3,600	2	500	3,100	3		Do.
Bus						3		Do.
Total, Bureau of Mines	75	113,400	75	8,850	104,550	371	91,798	
NATIONAL PARK SERVICE								
Management and protection	74	111,000	58	17,960	91,860	206		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	6	11,700	1	250	10,550	42		
Bus	1	5,500	1	1,000	4,500	2		
Ambulance			1	300		2		
Coupe pickup	10	15,000	18	4,105	12,675	27		
Maintenance and rehabilitation of physical facilities	3	4,500	3	915	3,585	26		
Station wagon	1	1,950	1	200	1,750	4		
Coupe pickup						2		
General administrative expenses	1	1,500	1	200	1,300	1		
Station wagon						1		
Total, National Park Service	96	151,150	84	24,930	126,220	313		
FISH AND WILDLIFE SERVICE								
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, and by information specialists compiling fish and wildlife data for public use.
Station wagon						1		Do.
BUREAU OF SPORT FISHERIES AND WILDLIFE								
Management and investigations of resources	41	61,500	37	11,200	50,300	145	53,000	Used by agents in enforcing wildlife protective laws, by field men supervising fish culture, refuge and rodent and predator control activities; by fishery and wildlife biologists conducting field investigations; and by engineers in river basin studies.
Station wagon	5	9,750	3	850	8,900	27		Do.
Coupe pickup						7		Do.

[1] For reimbursement to General Services Administration for motor pool vehicle rentals.
[2] Bus will be disposed of without replacement.
[3] Includes $5,000 for rentals from commercial sources.
[4] Includes two passenger cars exchanged for station wagons.
[5] Passenger car to be exchanged for station wagon.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960—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 SPORT FISHERIES AND WILDLIFE—continued								
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 wildlife restoration						13	6,600	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.
Federal aid in fish restoration and management.						1	3,300	Used by fishery management biologists and fiscal auditors for inspections of fish restoration projects.
Migratory bird conservation account	23	$34,500	22	$6,500	$28,000	24	5,000	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	4	7,800	4	800	7,000	37		Do.
Management of national wildlife refuges.	5	7,500	5	1,000	6,500	17	5,500	Used by U. S. game management agents enforcing wildlife protective laws; by field men supervising refuge operations, maintenance and construction.
Station wagon	10	19,500	10	2,000	17,500	2		Do.
Total, Bureau of Sport Fisheries and Wildlife.	88	140,550	81	22,350	118,200	283	76,900	
BUREAU OF COMMERCIAL FISHERIES								
Management and investigations of resources.	8	12,000	7	525	11,475	42	8,970	Used by agents in enforcing fish protective laws; by fishery biologists in conducting fishery investigations and field agents collecting fishery statistics.
Station wagon	6	11,700	6	1,200	10,500	27	150	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	6	800	11,200	4	5,760	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	2	800	5,050	2	100	Do.
Contributed funds							600	Used by biologists conducting field research in connection with the Great Lakes Fisheries Commission program.
Station wagon	1	1,950			1,950	1	50	Do.
Fishery loan fund							1,950	Used by loan fund personnel engaged in investigative and supervisory work.
Total, Bureau of Commercial Fisheries.	26	43,500	21	3,325	40,175	79	17,580	
Total, Fish and Wildlife Service.	114	184,050	102	25,675	158,375	363	94,980	
OFFICE OF TERRITORIES								
Administration of Territories	1	5,000			5,000	59		For official business of the Governors of 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.
Ambulance						7		Do.
Alaska public works						8		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						2		Do.
Total, Office of Territories	1	5,000			5,000	111		
VIRGIN ISLANDS CORPORATION								
Operating fund	1	1,500	1	200	1,300	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, Virgin Islands Corporation.	1	1,500	1	200	1,300	6		
OFFICE OF THE SECRETARY								
Salaries and expenses						3	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.	734	1,237,850	711	147,705	1,090,145	3,308	703,503	

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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	$45,000	1	$20,000	$25,000	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 reconaissance 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	18,500			18,500	6	90,300	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						3	35,000	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] 1	16,950	For the official use of Bureau employees, power and operation and maintenance personnel, in patrolling transmission lines and other field work.
General administrative expenses						1	26,700	For use of Bureau employees of region 7, the assistant commissioner and chief engineer office personnel, personnel of the commissioner's office and the secretary's office, for region and bureauwide supervision.
Total, Bureau of Reclamation						5	78,650	
GEOLOGICAL SURVEY								
Surveys, investigations and research						2	[2] 40,000	For use by geologists and geophysicists in geophysical exploration.
NATIONAL PARK SERVICE								
Management and protection						1	2,290	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.	2	24,000	2	4,000	20,000	18	93,000	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	5,500	Used by biologists in carrying out the purposes of Federal Aid Act.
Federal aid in fish restoration and management.						1	5,500	Do.
Migratory bird conservation account	2	30,000	2	5,000	25,000	6	33,000	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	42,000	Used by management agents for enforcing game protective laws; by field personnel engaged in refuge operations and management activities.
Total, Bureau of Sport Fisheries and Wildlife.	6	84,000	6	14,000	70,000	33	179,000	
BUREAU OF COMMERCIAL FISHERIES								
Management and investigations of resources.						12	112,000	Used by agents for enforcing fish protective laws.
Promote and develop fishery products and research pertaining to American fisheries.						1	8,000	Used by biologists in menhaden investigations.
Total, Bureau of Commercial Fisheries.						13	120,000	
Total, Fish and Wildlife Service.	6	84,000	6	14,000	70,000	46	299,000	
Total, Department of the Interior.	8	147,500	7	34,000	113,500	62	550,240	

[1] One plane used solely for operation and maintenance for which $14,050 is requested, the difference of $2,900 will be charged to another plane used primarily for construction and rehabilitation.

[2] An additional $60,000 is chargeable to reimbursements from other accounts.

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DEPARTMENT OF JUSTICE

The new obligational authority requested for the Department of Justice in 1960 totals $275.1 million, compared to $253 million estimated for 1959. Operating expenses will be higher despite increased efficiency because of increases in workloads for almost all activities. New construction has been deferred, except for one prison institution and a prison powerplant.

Protective services.—The Department is continuing its intensive efforts to reduce backlogs and to eliminate delays in litigative work. At the same time a rising volume of new cases threatens to undo previous accomplishments, and explains the modest increases that are recommended for all legal offices except the internal security division. To provide the Attorney General with better control of funds and reduce the need for supplemental requests, it is recommended that the four continuing appropriations for legal activities be consolidated into a single appropriation.

The Department has finished the administrative adjudication of claims of citizens of Japanese ancestry arising from their forced removal from their homes during World War II. The alien property program has declined sharply and is also approaching termination. Staff of the Office of Alien Property will be reduced about 50% during 1959. On the basis of the present outlook, the Office can be abolished by June 30, 1960, and the residual work assigned to one of the Department's legal divisions.

Despite an increasing number of criminal and other investigations, the Federal Bureau of Investigation is operating in 1959 with a slightly smaller staff than in 1958. However, increased investigative workloads make necessary larger appropriations to finance additional agents and clerical staffs.

Alien control.—The rapid growth in international travel, together with new amendments to the Immigration and Nationality Act, place additional burdens on the Immigration and Naturalization Service. Staff increases are provided for in this budget to serve properly all points of inspection, prevent the unauthorized entry of aliens, and apprehend persons who are illegally in the United States. Construction of new buildings to replace outmoded border stations is again deferred. The President is recommending legislation to remove present ceilings on fees for many immigration and naturalization services, and to give the Attorney General administrative discretion in setting the fees.

Correctional and penal institutions.—The 1960 budget provides for an increase of $16 million to house and maintain the increasing number of prisoners in Federal institutions. The average number of prisoners in Federal institutions has jumped markedly from 20,877 in 1958 to an estimated 22,300 in 1960. This is largely attributed to longer sentences and fewer paroles.

Funds are requested to construct a new maximum security institution for 800 prisoners and to replace a powerplant at the Chillicothe Reformatory. Planning is also proceeding, with previously authorized funds, for a youth guidance center to serve the Western States.

The correctional institution at Sandstone, Minn., has been on loan for use as a State mental hospital, but will be returned to the Federal Government by July 1, 1959. The prison camp at Safford, Ariz., authorized by the last Congress, is in operation and an additional camp has been opened at Greenville, S. C.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Labor and welfare:						
216 Correctional and penal institutions	$37,062	$42,320	$58,975	$33,900	$41,089	$45,351
Commerce and housing:						
519 Regulation of commerce and finance	3,912	4,143	4,500	3,735	4,048	4,426
General government:						
608 Protective services and alien control	194,256	206,410	211,600	191,175	206,851	209,023
Total, Department of Justice	235,230	252,873	275,075	228,810	251,988	258,800

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION												
Current authorizations:												
Salaries and expenses, general administration	608	$3,323	$3,250	$281	$3,750	$3,195	$3,331	$268	$3,599	$3,713	$13	$3,726
Salaries and expenses, legal activities:												
(General legal and related activities)	608				37,450					36,998	119	37,117
(Antitrust activities)	519				4,500					4,410	16	4,426
Salaries and expenses, general legal activities	608	11,262	11,400	928		10,864	11,266	885	12,151			
Salaries and expenses, antitrust division	519	3,912	3,800	343		3,735	3,721	327	4,048			
Salaries and expenses, United States attorneys and marshals	608	20,720	20,350	1,647		20,551	20,637	1,571	22,208			
Special temporary attorneys and assistants	608	153				152	15		15			
Fees and expenses of witnesses	608	1,660	1,700			1,611	1,691		1,691			
Salaries and expenses, claims of persons of Japanese ancestry	608	219	210			208	209		209			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses, United States attorneys and marshals	608			900				900	900			
Total, legal activities and general administration		41,249	40,710	4,099	45,700	40,315	40,870	3,951	44,821	45,121	148	45,269
FEDERAL BUREAU OF INVESTIGATION												
Current authorizations:												
Salaries and expenses	608	105,562	102,500	9,436	114,600	105,748	101,867	9,006	110,873	113,250	430	113,680
IMMIGRATION AND NATURALIZATION SERVICE												
Current authorizations:												
Salaries and expenses	608	51,357	49,500	4,208	55,800	48,847	51,069	4,036	55,105	54,328	172	54,500
Permanent authorizations:												
Refund of bond forfeitures by refugees	608		100				100		100			
Total, Immigration and Naturalization Service		51,357	49,600	4,208	55,800	48,847	51,169	4,036	55,205	54,328	172	54,500
FEDERAL PRISON SYSTEM												
Current authorizations:												
Salaries and expenses, Bureau of Prisons	216	33,262	35,773	2,447	41,600	32,452	36,248	2,335	38,583	40,776	112	40,888
Buildings and facilities	216	1,000	1,500		14,275	1,263	1,665		1,665	4,585		4,585
Support of United States prisoners	216	2,800	2,600		3,100	2,601	2,772		2,772	2,900		2,900
Intragovernmental funds:												
Federal Prison Industries, Incorporated:												
Prison industries fund	216					−2,416	−1,931		−1,931	−3,022		−3,022
Limitation on administrative and vocational expenses		(1,000)	(1,067)	(82)	(1,268)							
Total, Federal Prison System		37,062	39,873	2,447	58,975	33,900	38,754	2,335	41,089	45,239	112	45,351
OFFICE OF ALIEN PROPERTY												
Current authorizations:												
Limitation on salaries and expenses (trust fund)		(2,939)	(2,500)	(200)	(1,500)							
Total new obligational authority and budget expenditures		235,230	232,683	20,190	275,075	228,810	232,660	19,328	251,988	257,938	862	258,800
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$235,230	$232,583		$275,075	$228,810	$232,560			$257,938		
Permanent authorizations:												
Appropriations			100				100					
Proposed for later transmission:												
Pay increase supplemental appropriations			19,290				18,428			862		
Other: Appropriations			900				900					
Total new obligational authority and budget expenditures		235,230	252,873		275,075	228,810	251,988			258,800		

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION											
Current authorizations:											
Salaries and expenses, general administration		$200		$324		$251	$3,750	$3,480	$246		$275
Salaries and expenses, legal activities						2,936	41,950	38,921	2,622		3,343
Salaries and expenses, general legal activities		1,155		1,430							
Salaries and expenses, antitrust division		225		371							
Salaries and expenses, United States attorneys and marshals		821		1,046							
Special temporary attorneys and assistants		15		15							
Fees and expenses of witnesses		60		74							
Salaries and expenses, claims of persons of Japanese ancestry		10		19							
Total, legal activities and general administration		2,486		3,279		3,187	45,700	42,401	2,868		3,618
FEDERAL BUREAU OF INVESTIGATION											
Current authorizations:											
Salaries and expenses		4,437		5,942		5,349	114,600	108,331	5,349		6,269
IMMIGRATION AND NATURALIZATION SERVICE											
Current authorizations:											
Salaries and expenses		2,671		5,101		3,644	55,800	50,896	3,604		4,944
FEDERAL PRISON SYSTEM											
Current authorizations:											
Salaries and expenses, Bureau of Prisons		2,034		4,125		2,444	41,600	38,444	2,444		3,156
Buildings and facilities	$896	1,502	$576	1,239	$100	1,074	14,275	4,085	500	$8,280	10,764
Support of United States prisoners		368		561		395	3,100	2,600	300		595
Intragovernmental funds:											
Federal Prison Industries, Incorporated: Prison industries fund	11,168	4,401	17,858	4,818	16,946	3,999			−3,022	16,754	[1] 4,022
Total, Federal Prison System	12,064	8,305	18,435	10,743	17,046	7,912	58,975	45,129	222	25,034	18,537
Total, Department of Justice	12,064	17,899	18,435	25,065	17,046	20,092	275,075	246,757	12,043	25,034	33,368
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$896	$13,498	$576	$20,247	$100	$16,093				$8,280	$29,346
Balances of anticipated pay increase supplementals not identified above						−862	$275,075	$246,757	$11,181		
Subtotal	896	13,498	576	20,247	100	15,231				8,280	29,346
Revolving and management funds	11,168	4,401	17,858	4,818	16,946	3,999				16,754	[1] 4,022
Proposed for later transmission:											
Balances of anticipated pay increase supplementals not identified above						862			862		
Total, Department of Justice	12,064	17,899	18,435	25,065	17,046	20,092	275,075	246,757	12,043	25,034	33,368

[1] Excludes capital transfer (payment of dividend to Treasury) in 1960 of $3,000 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$13,498	$20,247	$15,231
Revolving and management funds	4,401	4,818	3,999
Proposed for later transmission: Pay increase supplemental appropriations			862
Total balances brought forward	17,899	25,065	20,092
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	235,230	232,583	275,075
Permanent authorizations: Appropriations		100	
Total new obligational authority enacted or recommended	235,230	232,683	275,075
Proposed for later transmission:			
Pay increase supplemental appropriations		19,290	
Other: Appropriations		900	
Total new obligational authority proposed for later transmission		20,190	
Total new obligational authority	235,230	252,873	275,075
Other amounts available:			
Appropriations available in prior years		−3,107	
Appropriations available from subsequent years	3,107		
Total budget authorizations available	256,236	274,831	295,167
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	228,810	232,660	246,757
Out of balances of prior obligational authority			11,181
Total expenditures from obligational authority enacted or recommended	228,810	232,660	257,938
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		18,428	862
Other: Out of new obligational authority		900	
Total expenditures from obligational authority proposed for later transmission		19,328	862
Total budget expenditures	228,810	251,988	258,800
Amounts no longer available:			
Unobligated balances expiring and lapsing	271		
Capital transfers from revolving funds to receipt accounts	2,000	2,750	3,000
Adjustment of balances downward in expired accounts, net	90		
Total amounts no longer available	2,361	2,750	3,000
Balances carried forward at close of year from authorizations:			
Enacted or recommended at this document:			
Appropriations	20,247	15,231	29,346
Revolving and management funds	4,818	3,999	4,022
Proposed for later transmission: Pay increase supplemental appropriations		862	
Total balances carried forward at close of year	25,065	20,092	33,368
Obligations incurred, net	$229,695	$248,405	$264,087

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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)] *(one for replacement only)* 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] *$3,750,000. (5 U. S. C. A. 291, note, 294, 310, 341; 8 U. S. C. 1103; 18 U. S. C. 4201–9; 13 Stat. 516; Department of Justice Appropriation Act, 1959.)*

Appropriated 1959, **$3,250,000** Estimate 1960, **$3,750,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct costs:			
1. Executive direction	$635,541	$665,700	$681,400
2. Administrative review and appeals	606,484	675,930	735,200
3. Administrative services	2,078,976	2,179,391	2,327,400
Total direct costs	3,321,001	3,521,021	3,744,000
Reimbursable costs:			
3. Administrative services	109,126	110,650	50,000
Total program costs	3,430,127	3,631,671	3,794,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−2,043		
Obligations incurred for costs of other years (unpaid undelivered orders), net		5,504	6,000
Total program (obligations)	3,428,084	3,637,175	3,800,000
Financing:			
1959 appropriation available in 1958	−4,475	4,475	
Advances and reimbursements from other accounts	−109,126	−110,650	−50,000
Unobligated balance no longer available	8,417		
New obligational authority	3,322,900	3,531,000	3,750,000
New obligational authority:			
Appropriation	$3,368,300	$3,250,000	$3,750,000
Transferred to "Salaries and expenses, general legal activities" (5 U. S. C. 291)	−45,400		
Appropriation (adjusted)	3,322,900	3,250,000	3,750,000
Proposed supplemental due to pay increases		281,000	

2. *Administrative review 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 actual workloads of these boards:

BOARD OF PAROLE

	1957	*1958*
Paroles considered	12,665	12,684
Paroles denied	6,831	6,594
Paroles granted	4,426	4,094
Juvenile and youth offender considerations	1,408	1,996

BOARD OF IMMIGRATION APPEALS

	1957	*1958*
Cases pending, beginning of year	638	286
Cases received	2,746	2,273
Cases closed	3,098	2,270
Cases pending, end of year	286	289

3. *Administrative services.*—The administrative division serves as the focal point for departmentwide management and administration. This division also furnishes 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.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $33,539; 1958, $31,496; 1959, $37,000; 1960, $43,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	569	570	572
Full-time equivalent of all other positions	8	1	1
Average number of all employees	512	530	539
Number of employees at end of year	529	546	555
Average GS grade and salary	6.3 $5,091	6.1 $5,570	6.2 $5,632
Average salary of ungraded positions	$4,307	$4,337	$4,359
Personal service obligations:			
Permanent positions	$2,692,359	$3,033,420	$3,118,840
Positions other than permanent	39,947	6,600	6,600
Other personal services	23,941	20,670	33,030
Total personal service obligations	2,756,247	3,060,690	3,158,470
Direct costs:			
01 Personal services	2,651,647	2,950,690	3,108,470
02 Travel	65,176	73,000	78,000
03 Transportation of things	1,744	500	500
04 Communication services	85,011	33,300	33,300
05 Rents and utility services	33,929	34,000	34,000
06 Printing and reproduction	48,339	33,350	36,050
07 Other contractual services	57,055	53,350	56,850
08 Supplies and materials	51,827	19,146	22,350
09 Equipment	159,351	125,025	169,800
11 Grants, subsidies, and contributions	164,563	197,660	203,680
13 Refunds, awards, and indemnities	642		
15 Taxes and assessments	1,717	1,000	1,000
Total direct costs	3,321,001	3,521,021	3,744,000
Reimbursable costs:			
01 Personal services	105,102	110,000	50,000
08 Supplies and materials	3,724		
11 Grants, subsidies, and contributions	300	650	
Total reimbursable costs	109,126	110,650	50,000
Total costs	3,430,127	3,631,671	3,794,000
Costs financed from obligations of other years, net (−)	−2,043		
Obligations incurred for costs of other years, net		5,504	6,000
Total obligations	3,428,084	3,637,175	3,800,000

SALARIES AND EXPENSES, LEGAL ACTIVITIES

For expenses necessary for legal activities of the Department of Justice, including not to exceed $5,000 for emergencies to be accounted for solely on the certificate of the Attorney General; not to exceed $50,000 for the employment of temporary deputy marshals in lieu of bailiffs; hire of passenger motor vehicles; purchase of firearms and ammunition; advances of public moneys pursuant to law (31 U. S. C. 529); fees, mileage, and expenses of witnesses, including per diem in lieu of subsistence and compensation and expenses of expert witnesses or informants pursuant to section 1 of the Act of July 28, 1950 (5 U. S. C. 341); and expenses incurred pursuant to sections 4244–4248 of title 18, United States Code; $41,950,000, of which $15,000 may be used for the emergency replacement of one prisoner-carrying bus upon certificate of the Attorney General: Provided, That the unexpended balances as of June 30, 1959, of appropriations for the fiscal years 1958 and 1959, for "Salaries and expenses, general legal activities", "Salaries and expenses, antitrust division", "Salaries and expenses, United States attorneys and marshals", "Fees and expenses of witnesses", and "Salaries and expenses, claims of persons of Japanese ancestry", shall be merged and accounted for in one account. (5 U. S. C. 22, 291, 293, 295, 302–320, 341; 15 U. S. C. 1–34; 18 U. S. C. 4008; 28 U. S. C. 501–503, 507–510, 541, 542, 550–553, 1821–1825, 2072; 31 U. S. C. 529; 48 U. S. C. 109, 110, 114; Department of Justice Appropriation Act, 1959.)

Estimate 1960, [a] **$41,950,000**

[a] Estimate is for activities previously carried under appropriations as follows:

"Salaries and expenses, general legal activities"	$12,850,000
"Salaries and expenses, antitrust division"	4,500,000
"Salaries and expenses, United States attorneys and marshals"	22,900,000
"Fees and expenses of witnesses"	1,700,000

The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Legal functions:			
(a) Supreme Court proceedings and appellate matters	$219,837	$233,700	$237,200
(b) General tax matters	1,897,289	1,985,600	2,275,600
(c) Criminal matters	1,244,458	1,502,500	1,538,500
(d) Claims, customs, and general civil matters	3,075,987	3,111,600	3,001,000
(e) Land matters	1,788,977	1,947,100	1,983,200
(f) Legal opinions	364,616	429,100	437,000

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, LEGAL ACTIVITIES—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
1. Legal functions—Continued			
(g) Internal security matters	$1,193,996	$1,178,200	$1,108,000
(h) Civil rights matters	178,198	472,000	488,000
(i) Antitrust matters	3,612,178	3,866,200	4,175,000
(j) United States attorneys	10,816,651	11,737,200	12,075,000
Total legal functions	24,392,187	26,463,200	27,318,500
2. United States marshals' operations	6,892,123	7,349,200	7,658,000
3. Litigative expenses:			
(a) Travel expenses in legal proceedings	760,991	763,000	813,500
(b) Evidentiary and other litigative expenses	3,797,911	3,871,832	4,158,000
(c) Executing judicial orders and transporting prisoners	1,975,999	1,890,000	2,002,000
Total litigative expenses	6,534,901	6,524,832	6,973,500
Total program costs	37,819,211	40,337,232	41,950,000
4. Relation of costs to obligations—			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)		−34,715	
Obligations incurred for costs of other years (unpaid undelivered orders), net	47,398		
Total program (obligations)	37,866,609	40,302,517	41,950,000
Financing:			
Comparative transfers from (—) other accounts	−37,866,609	−40,302,517	
Appropriation (new obligational authority)			41,950,000

These embrace all of the legal activities of the Department including the United States attorneys' and the marshals' offices.

1. *Legal functions.*—These involve the supervision and control of all appellate matters and the representation of the Government's interest before the Supreme Court; the prosecution or defense on behalf of the Government of cases arising under the internal revenue laws, other tax statutes, and Federal criminal statutes; antitrust matters; civil suits and claims; cases and matters relating to the title, possession, and use of Federal land and natural resources; civil litigation pertaining to Indians and Indian affairs; the preparation of legal opinions for the President and executive agencies; review as to form and legality of proposed Executive orders and proclamations; litigation and related matters involving the internal security of the United States; and matters relating to civil rights.

The Government's legal interests in the judicial districts are represented primarily by the local United States attorneys. Most litigative matters are referred directly to the United States attorneys by the various Government departments and agencies. However, certain cases of a highly technical or specialized nature are handled or supervised by the appropriate legal divisions of the Department.

Funds are provided for the continuation of United States attorneys' and marshals' operations in Alaska at existing levels pending a determination on the functions to be assumed by the State of Alaska.

Workloads are increasing in the legal operations financed by this appropriation because of the growth and status of the national economy, population increases, and the corresponding changes in the incidence of crime; and the enactment of new legislation. Workload figures are shown in the following tables:

GENERAL TAX CASES

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Caseload:				
Pending, beginning of year	5,064	4,685	4,386	4,686
Received	5,225	5,811	6,400	7,000
Terminated	5,604	6,110	6,100	7,320
Pending, end of year	4,685	4,386	4,686	4,366

CRIMINAL CASES

Caseload:				
Pending, beginning of year	257	187	146	154
Received	4,045	3,720	3,803	3,850
Terminated	4,115	3,761	3,795	3,835
Pending, end of year	187	146	154	169

CLAIMS AND GENERAL CIVIL CASES

Caseload:				
Pending, beginning of year	29,458	14,024	14,307	14,730
Received	9,649	8,455	8,645	8,865
Terminated	25,083	8,172	8,222	8,595
Pending, end of year	14,024	14,307	14,730	15,000

ANTITRUST CASES

Caseload:			
Pending, beginning of year	116	97	102
Filed	48	55	54
Terminated	67	50	53
Pending, end of year	97	102	103

UNITED STATES ATTORNEYS CASES

Caseload:				
Pending, beginning of year	23,963	26,273	29,273	
Filed during year	55,058	58,000	60,000	
Terminated	52,748	55,000	57,000	
Pending, end of year	26,273	29,273	32,273	

2. *United States marshals' operations.*—The United States marshals are Federal law enforcement officers in each of the 94 judicial districts. They act as agents of the court, serve judicial process, and have custody of all Federal offenders until released or confined to prison by the courts. In addition, they serve as regional disbursing officers of the Department and the Judiciary and perform accounting functions in connection therewith. A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Process served	646,515	652,780	675,000	700,000
Prisoners handled	157,160	180,853	190,000	200,000

3. *Litigative expenses.*—These include the travel and subsistence expenses of representatives of the United States attorneys' offices who are required to attend all sessions of the district courts and courts of appeals and attorneys from the legal divisions who frequently are needed to assist with the trial of specialized and more difficult types of cases; evidentiary costs such as: The compensation and expenses of witnesses and experts; charges for transcripts of proceedings, reproduction and duplication of exhibits for court use and the printing of records and briefs in connection with appeals and grand jury reporting; fees of commissioners and special masters; and other miscellaneous costs. Also included are costs of executing judicial orders which involve United States marshals' travel and other expenses incident to serving process and executing court orders, maintaining order in courtrooms, handling prisoners before sentence and transferring prisoners after conviction to Federal institutions or to local jails awaiting commitment to Federal institutions.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $371,317; 1958, $418,715; 1959, $384,000; 1960, $384,000.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	4,522	4,534	4,580
Full-time equivalent of all other positions	86	42	41
Average number of all employees	4,321	4,373	4,438
Number of employees at end of year	4,355	4,409	4,475
Average GS grade and salary	7.4 $5,683	7.4 $6,367	7.4 $6,438
Average salary of ungraded positions	$8,454	$9,178	$9,178
01 Personal services:			
Permanent positions	$27,040,224	$29,655,280	$30,353,134
Positions other than permanent	526,719	288,100	284,600
Other personal services	642,256	629,810	789,630
Total personal services	28,209,199	30,573,190	31,427,364
02 Travel	2,537,864	2,456,100	2,590,200
03 Transportation of things	34,150	37,693	31,400
04 Communication services	664,243	619,150	682,900
05 Rents and utility services	16,313	10,400	10,400
06 Printing and reproduction	688,706	686,848	782,300
07 Other contractual services	3,668,209	3,689,922	3,889,886
08 Supplies and materials	184,681	174,487	221,450
09 Equipment	307,433	409,202	484,800
11 Grants, subsidies, and contributions	1,436,359	1,590,510	1,706,670
13 Refunds, awards, and indemnities	5,838		
15 Taxes and assessments	67,998	91,530	124,430
Subtotal	37,820,993	40,339,032	41,951,800
Deduct quarters and subsistence charges	1,782	1,800	1,800
Total costs	37,819,211	40,337,232	41,950,000
Costs financed from obligations of other years, net (−)		−34,715	
Obligations incurred for costs of other years, net	47,398		
Total obligations	37,866,609	40,302,517	41,950,000

[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); $11,200,000.] *(5 U. S. C. 22, 291, 293, 295, 310, 315, 341; Department of Justice Appropriation Act, 1959.)*

Appropriated 1959, [a] **$11,400,000**

[a] Includes $200,000 appropriated in Supplemental Appropriation Act, 1959.

NOTE.—Estimate of $12,850,000 for activities carried under this title has been transferred in the estimates to "Salaries and expenses, legal activities." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$11,218,754	$12,327,598	
1959 appropriation available in 1958	−402	402	
Unobligated balance no longer available	43,648		
New obligational authority	11,262,000	12,328,000	
New obligational authority:			
Appropriation	$11,150,700	$11,400,000	
Transferred from—			
"Salaries and expenses, general administration" (5 U. S. C. 291)	45,400		
"Salaries and expenses, antitrust division" (5 U. S. C. 291)	27,000		
"Fees and expenses of witnesses" (72 Stat. 243)	38,900		
Appropriation (adjusted)	11,262,000	11,400,000	
Proposed supplemental due to pay increases		928,000	

[Salaries and Expenses, Antitrust Division]

[For expenses necessary for the enforcement of antitrust and kindred laws, $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, 1959.)*

Appropriated 1959, **$3,800,000**

NOTE.—Estimate of $4,500,000 for activities carried under this title has been transferred in the estimates to "Salaries and expenses, legal activities." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$3,886,701	$4,143,000	
Unobligated balance no longer available	25,499		
New obligational authority	3,912,200	4,143,000	
New obligational authority:			
Appropriation	$3,939,200	$3,800,000	
Transferred to "Salaries and expenses, general legal activities" (5 U. S. C. 291)	−27,000		
Appropriation (adjusted)	3,912,200	3,800,000	
Proposed supplemental due to pay increases		343,000	

[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 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; $20,350,000, 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, 1959.)*

Appropriated 1959, **$20,350,000**

NOTE.—Estimate of $22,900,000 for activities carried under this title has been transferred in the estimates to "Salaries and expenses, legal activities." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimat
Financing:			
Comparative transfers to other accounts	$20,775,424	$21,921,919	
1959 appropriation available in 1958	−75,081	75,081	
Unobligated balance no longer available	19,657		
New obligational authority	20,720,000	21,997,000	
New obligational authority:			
Appropriation	$20,620,000	$20,350,000	
Transferred from "Fees and expenses of witnesses" (72 Stat. 882)	100,000		
Appropriation (adjusted)	20,720,000	20,350,000	
Proposed supplemental due to pay increases		1,647,000	

[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; $1,700,000: *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, 1959.)*

Appropriated 1959, **$1,700,000**

NOTE.—Estimate of $1,700,000 for activities carried under this title has been transferred in the estimates to "Salaries and expenses, legal activities." The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

[FEES AND EXPENSES OF WITNESSES]—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$1,617,315	$1,700,000	
Unobligated balance no longer available	42,685		
New obligational authority	1,660,000	1,700,000	
New obligational authority:			
Appropriation	$1,800,000	$1,700,000	
Transferred to—			
"Salaries and expenses, general legal activities" (72 Stat. 243)	−38,900		
"Salaries and expenses, United States attorneys and marshals" (72 Stat. 882)	−100,000		
"Special temporary attorneys and assistants" (72 Stat. 243)	−1,100		
Appropriation (adjusted)	1,660,000	1,700,000	

[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), $210,000.] (*Department of Justice Appropriation Act, 1959.*)

Appropriated 1959, **$210,000**

NOTE.—The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers to "Salaries and expenses, legal activities."

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$216,739	$210,000	
Unobligated balance no longer available	1,761		
New obligational authority	218,500	210,000	
New obligational authority:			
Appropriation	$220,000	$210,000	
Transferred to "Special temporary attorneys and assistants" (72 Stat. 243)	−1,500		
Appropriation (adjusted)	218,500	210,000	

SPECIAL TEMPORARY ATTORNEYS AND ASSISTANTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$151,676		
Unobligated balance no longer available	924		
New obligational authority	152,600		
New obligational authority:			
Appropriation	$150,000		
Transferred (72 Stat. 243) from—			
"Fees and expenses of witnesses"	1,100		
"Salaries and expenses, claims of persons of Japanese ancestry"	1,500		
Appropriation (adjusted)	152,600		

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Legal functions:			
(c) Criminal matters	$9,809		
(g) Internal security matters	14,263	$16,633	$16,942
(h) Civil rights matters	2,607		
(i) Antitrust matters	23,015		
(j) United States attorneys	11,876	21,680	21,760
3. Litigative expenses:			
(b) Evidentiary and other litigative expenses	145,747	50,000	
Total obligations	207,617	88,313	38,702
Financing:			
Advances and reimbursements from other accounts	207,617	88,313	38,702

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	6	4	4
	Full-time equivalent of all other positions	2		
	Average number of all employees	8	4	4
	Number of employees at end of year	4	4	4
	Average GS grade and salary	11.1 $6,784	11.0 $7,779	11.0 $7,893
	Average salary of ungraded positions	$11,000	$10,150	$10,150
01	Personal services:			
	Permanent positions	$43,757	$35,858	$36,087
	Positions other than permanent	13,303		
	Other personal services	52	140	281
	Total personal services	57,112	35,998	36,368
02	Travel	2,854		
05	Rents and utility services	1,904		
07	Other contractual services	145,747	50,000	
11	Grants, subsidies, and contributions		2,315	2,334
	Total obligations	207,617	88,313	38,702

Proposed for later transmission:

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
United States marshals' operations (total obligations)		$900,000	
Financing:			
Proposed supplemental appropriation		900,000	

Under existing legislation, 1959.—It is anticipated that a supplemental appropriation will be needed in 1959 to meet extraordinary situations arising in certain districts resulting from the decision of the Supreme Court in re school integration.

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

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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 *for police-type use without regard to the general purchase price limitation for the current fiscal year* (not to exceed [seven hundred and seventy-five] *five hundred and one, including one armored vehicle,* 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; [$102,500,000] *$114,600,000: 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, 1959.)*

Appropriated 1959, **$102,500,000** Estimate 1960, **$114,600,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination	$4,870,333	$5,352,026	$5,446,460
(b) Maintenance of investigative records and communications system	5,471,755	6,097,527	6,194,949
(c) Field investigations	80,057,461	84,259,390	86,550,277
2. Identification by fingerprints	8,518,536	8,889,494	9,054,935
3. Criminal and scientific laboratory	1,870,069	1,885,913	1,918,241
4. Training schools and inspectional services	625,851	758,426	770,974
5. General administration	4,704,627	4,557,653	4,664,164
Total program costs [1]	106,118,632	111,800,429	114,600,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,519,625	
Obligations incurred for costs of other years, net	1,075,537		
Total program (obligations)	107,194,169	110,280,804	114,600,000
Financing:			
1959 appropriation available in 1958	−1,655,196	1,655,196	
Unobligated balance no longer available	23,027		
New obligational authority	105,562,000	111,936,000	114,600,000
New obligational authority:			
Appropriation	$105,562,000	$102,500,000	$114,600,000
Proposed supplemental due to pay increases		9,436,000	

[1] Includes capital outlay as follows: 1958, $2,199,013; 1959, $1,902,420; 1960, $1,886,116.

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 1960 totals $114,600,000. This will provide for an additional 75 employees (50 special agents and 25 clerks).

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 1958 the Bureau received 1,423,976 names for search through its files. Another increase is anticipated in 1960.

CASELOAD

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Investigative matters received	477,092	478,220	501,000	519,000

2. *Identification by fingerprints.*—The identification division is the national repository of identification data based on fingerprint records. Fingerprints are acquired, classified, preserved and exchanged with other duly authorized law enforcement agencies and 4,989,332 sets of fingerprints were received for handling during fiscal year 1958. The volume of fingerprint work is expected to increase. Sets of fingerprints on file on July 1, 1958, totaled 149,187,180.

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 1958, scientific examinations totaled 165,462, an increase of 3% and a new alltime high. The upward trend is expected to continue.

4. *Training schools and inspectional services.*—A Bureauwide 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.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$408,455	$422,928	$280,000	$280,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	335,633	1,396,697	20,000	20,000
Total selected resources at end of year	744,088	1,819,625	300,000	300,000
Selected resources at start of year (−)		−744,088	−1,819,625	−300,000
Costs financed from obligations of other years, net (−)			−1,519,625	
Obligations incurred for costs of other years, net	1,075,537			

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	14,104	14,075	14,150
	Full-time equivalent of all other positions	6	4	4
	Average number of all employees	13,633	13,599	13,674
	Number of employees at end of year	13,646	13,599	13,674
	Average GS grade and salary	7.8 $5,807	7.9 $6,531	8.0 $6,625
01	Personal services			
	Permanent positions	$82,927,366	$88,895,240	$90,638,690
	Positions other than permanent	31,807	18,150	18,150
	Other personal services	5,400,540	5,954,520	6,432,536
	Total personal services	88,359,713	94,867,910	97,089,376
02	Travel	3,981,192	3,837,834	3,872,484
03	Transportation of things	563,455	535,508	514,208
04	Communication services	1,591,145	1,605,216	1,813,816
05	Rents and utility services	434,650	466,220	466,220
06	Printing and reproduction	174,583	171,990	172,740
07	Other contractual services	1,809,647	1,699,334	1,702,616
08	Supplies and materials	1,834,809	1,398,508	1,476,792
09	Equipment	2,610,258	1,905,059	1,972,696
11	Grants, subsidies, and contributions	4,395,946	4,954,500	5,101,352
13	Refunds, awards, and indemnities	85,023	71,000	71,000
15	Taxes and assessments	278,211	287,350	346,700
	Total costs	106,118,632	111,800,429	114,600,000
	Costs financed from obligations of other years, net (−)		−1,519,625	
	Obligations incurred for costs of other years, net	1,075,537		
	Total obligations	107,194,169	110,280,804	114,600,000

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FEDERAL BUREAU OF INVESTIGATION—Con.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination:			
Atomic Energy Commission	$37,841	$25,088	$20,480
Civil Service Commission	39,152	2,953	2,953
Other agencies	43,587	30,889	
(b) Maintenance of investigative records and communications system: Civil Service Commission	1,746	1,738	1,738
(c) Field investigations:			
Atomic Energy Commission	1,840,296	1,368,276	1,116,960
Civil Service Commission	222,384	51,918	51,918
Other agencies	177,880	117,278	
Non-Federal sources	131,037	116,250	75,000
5. General administration:			
Atomic Energy Commission	4,720	3,136	2,560
Civil Service Commission	6,181	1,179	1,179
Other agencies	417		
Total obligations	2,505,241	1,718,705	1,272,788
Financing:			
Advances and reimbursements from—			
Other accounts	2,374,204	1,602,455	1,197,788
Non-Federal sources (40 U. S. C. 481 (c))	131,037	116,250	75,000
Total financing	2,505,241	1,718,705	1,272,788

Object Classification

Total number of permanent positions		282		171		132
Average number of all employees		272		165		128
Number of employees at end of year		272		165		128
Average GS grade and salary	9.0	$6,272	9.6	$7,632	9.4	$7,392
01 Personal services:						
Permanent positions		$1,791,584		$1,263,049		$945,644
Other personal services		150,809		100,893		79,183
Total personal services		1,942,393		1,363,942		1,024,827
02 Travel		161,982		88,270		55,169
03 Transportation of things		13,686		7,838		6,452
04 Communication services		33,947		17,219		14,177
06 Printing and reproduction		787		1,019		839
07 Other contractual services		58,382		26,968		22,198
08 Supplies and materials		37,739		17,819		14,678
09 Equipment		138,244		121,189		79,066
11 Grants, subsidies, and contributions		115,190		71,343		52,824
15 Taxes and assessments		2,891		3,098		2,558
Total obligations		2,505,241		1,718,705		1,272,788

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 *for police-type use, without regard to the general purchase price limitation for the current fiscal year* (not to exceed two hundred and forty[-six] for replacement only) and hire of passenger motor vehicles; purchase (not to exceed [four] *nine, of which four shall be* for replacement only) and maintenance and operation of aircraft; firearms and ammunition, attendance at firearms matches; 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 equiqment 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; [$49,500,000] *$55,800,000: 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[: *Provided further,* That, hereafter, the compensation of the Commissioner of the Immigration and Naturalization Service shall be $20,000 per annum]. *(5 U. S. C. 341, 341d, 341e; act of June 27, 1952, Public Law 414, sec. 103a; Department of Justice Appropriation Act, 1959.)*

Appropriated 1959, **$49,500,000** Estimate 1960, **$55,800,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Inspection for admission into the United States	$12,540,371	$13,611,017	$14,182,600
2. Detention and deportation	5,421,463	5,458,713	5,656,600
3. Naturalization	3,091,360	2,983,299	3,031,000
4. Border patrol	14,689,896	14,753,268	15,468,200
5. Investigating aliens' status	9,482,122	9,627,914	9,777,600
6. Immigration and naturalization records	3,971,471	4,251,382	4,328,600
7. General administration	2,910,355	3,100,069	3,155,400
Total program costs [1]	52,107,038	53,785,662	55,600,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−786,456	−137,639	
Obligations incurred for costs of other years (unpaid undelivered orders), net			200,000
Total program (obligations)	51,320,582	53,648,023	55,800,000
Financing:			
1959 appropriation available in 1958	−59,977	59,977	
Unobligated balance no longer available	96,395		
New obligational authority	51,357,000	53,708,000	55,800,000
New obligational authority:			
Appropriation	$51,357,000	$49,500,000	$55,800,000
Proposed supplemental due to pay increases		4,208,000	

[1] Includes capital outlay as follows: 1958, $2,156,716; 1959, $1,662,879; 1960, $2,186,500.

The Service administers and enforces the laws relating to immigration and naturalization. Recent amendments to the Immigration and Nationality Act and rising volumes of international traffic will increase workloads and require additional staff.

Fees are charged for certain services and permits. Over $4 million was deposited as miscellaneous receipts to the Treasury during 1958. Authority will be sought this year for the Attorney General to adjust certain fees in line with actual costs.

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.

WORKLOAD

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Aliens admitted	1,085,725	1,101,029	1,152,000	1,222,000
Stowaways found on arrival	294	296	325	325
Citizens arrived	1,365,075	1,469,262	1,550,000	1,650,000
Alien crewmen examined on arrival	1,688,749	1,673,475	1,675,000	1,675,000
Entries over land boundaries	137,590,261	144,298,007	152,778,000	160,378,000
Aliens denied entry on primary inspection	157,174	157,720	163,000	174,000

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.

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WORKLOAD

	1957 actual	1958 actual	1959 estimate	1960 estimate
Orders to show cause	11,223	12,938	13,400	13,800
Hearings	13,168	14,652	14,400	14,400
Aliens expelled	68,461	67,742	66,500	67,600
Average number of aliens held in detention	1,170	1,228	1,230	1,230

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

	1957 actual	1958 actual	1959 estimate	1960 estimate
Applications, petition for naturalization	173,156	144,976	145,000	180,000
Applications, derivative citizenship	32,758	33,594	36,000	37,600
Applications for new papers	10,737	9,471	10,800	11,000
Recommendations to courts	142,515	126,600	127,000	148,000

4. *Border patrol.*—The patrol guards the international boundaries to combat smuggling and apprehends aliens illegally in the United States. Improved enforcement is reflected in lower numbers of violators apprehended.

WORKLOAD

	1957 actual	1958 actual	1959 estimate	1960 estimate
Persons apprehended	48,433	41,956	38,700	36,800
Illegal entrants	46,177	40,399	37,000	35,000
Smugglers of aliens	405	402	400	400
Other law violators	1,851	1,155	1,300	1,400

5. *Investigating aliens' status.*—These investigations deal with admission, naturalization, deportation, and arrests for violations of the immigration and nationality laws. Objective is to achieve current status so all cases may be assigned immediately upon receipt.

WORKLOAD

	1957 actual	1958 actual	1959 estimate	1960 estimate
Pending, beginning of year	17,972	15,029	10,960	10,698
Received	55,160	59,935	59,233	58,365
Terminated	58,103	64,004	59,495	63,075
Pending, end of year	15,029	10,960	10,698	5,988

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

	1957 actual	1958 actual	1959 estimate	1960 estimate
New files prepared	640,855	500,808	504,000	507,000
Index searches	2,643,760	3,274,136	3,385,000	3,463,000
Alien address reports	2,833,732	2,899,691	2,950,000	3,000,000

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1957, $1,324,095; 1958, $537,639; 1959, $400,000; 1960, $600,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	6,926	6,885	6,901
Full-time equivalent of all other positions	119	98	128
Average number of all employees	6,731	6,540	6,586
Number of employees at end of year	6,650	6,645	6,685
Average GS grade and salary	7.1 $5,182	7.3 $5,855	7.3 $5,935
01 Personal services:			
Permanent positions	$35,801,289	$37,609,400	$38,227,400
Positions other than permanent	394,137	361,100	573,700
Other personal services	4,018,033	4,204,900	4,486,600
Total personal services	40,213,459	42,175,400	43,287,700
02 Travel	2,086,272	2,193,400	2,198,600
03 Transportation of things	440,403	444,100	449,100
04 Communication services	875,072	874,200	930,300
05 Rents and utility services	217,108	222,300	222,300
06 Printing and reproduction	340,401	289,884	286,200
07 Other contractual services	1,411,316	1,211,215	1,210,400
Services performed by other agencies	352,551	393,100	393,100

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
08 Supplies and materials	$1,669,085	$1,735,584	$1,806,600
09 Equipment	2,115,745	1,514,960	1,849,100
10 Land and structures	40,971	147,919	337,400
11 Grants, subsidies, and contributions	2,198,713	2,435,100	2,480,700
13 Refunds, awards, and indemnities	115,132	115,000	115,000
15 Taxes and assessments	22,866	25,500	25,500
Unvouchered	35,000	35,000	35,000
Subtotal	52,134,094	53,812,662	55,627,000
Deduct quarters and subsistence charges	27,056	27,000	27,000
Total costs	52,107,038	53,785,662	55,600,000
Costs financed from obligations of other years, net (−)	−786,456	−137,639	
Obligations incurred for costs of other years, net			200,000
Total obligations	51,320,582	53,648,023	55,800,000

Permanent authorizations:

REFUND OF BOND FORFEITURES BY REFUGEES

(Indefinite)

Appropriated (est.) 1959, **$100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Refunds (total costs—obligations)		$100,000	
Financing:			
Appropriation (new obligational authority)		100,000	

Refunds are made under authority of Public Law 85–531, approved July 18, 1958, to certain persons who posted departure bonds with the Attorney General.

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities		$100,000	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Inspection for admission into the United States	$1,438,453	$1,286,300	$1,374,100
2. Detention and deportation	863,164	102,900	88,500
3. Naturalization	31,066	47,100	46,300
4. Border patrol	64,904	54,000	44,800
5. Investigating aliens' status	24,886	21,100	12,500
6. Immigration and naturalization records	1,134	1,500	1,100
7. General administration	1,599	1,800	1,000
Total obligations	2,425,206	1,514,700	1,568,300
Financing:			
Advances and reimbursements from—			
Other accounts	978,110	16,300	2,200
Non-Federal sources (8 U. S. C. 109c, 1356)	1,447,096	1,498,400	1,566,100
Total financing	2,425,206	1,514,700	1,568,300

Object Classification

Total number of permanent positions	13	12	
Full-time equivalent of all other positions	16	2	1
Average number of all employees	26	4	1
Number of employees at end of year	11	0	0
Average GS grade and salary	8.5 $7,043	4.0 $3,765	
Average salary of ungraded positions	$4,846	$5,014	

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IMMIGRATION AND NATURALIZATION SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification—Continued

		1958 actual	1959 estimate	1960 estimate
01	Personal services:			
	Permanent positions	$47,108	$10,400	
	Positions other than permanent	58,507	4,000	$4,000
	Other personal services	1,249,390	1,275,500	1,361,600
	Total personal services	1,355,005	1,289,900	1,365,600
02	Travel	250,780	82,100	82,100
03	Transportation of things	7,264		
04	Communication services	11,456	2,000	2,000
05	Rents and utility services	23,143	1,200	1,200
06	Printing and reproduction	29,216	45,000	45,000
07	Other contractual services	519,080	5,300	5,300
	Services performed by other agencies	80,985	500	500
08	Supplies and materials	52,585	10,000	10,000
09	Equipment	91,620	78,200	56,600
11	Grants, subsidies, and contributions	2,347	400	
13	Refunds, awards, and indemnities	110		
15	Taxes and assessments	1,615	100	
	Total obligations	2,425,206	1,514,700	1,568,300

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-one (] *twenty-six (of which twenty shall be* for replacement only) and hire of passenger motor 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); [$33,707,000] *$41,600,000*: *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 medicbl 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, 1959.*)

Appropriated 1959, [a] **$35,773,000** Estimate 1960, **$41,600,000**

[a] Includes $2,066,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Custody, care, and treatment of prisoners in Federal institutions:			
(a) Custody	$13,147,138	$15,949,282	$16,663,000
(b) Subsistence (including farming operations)	5,160,655	5,725,000	5,869,000
(c) Education and welfare	2,331,715	2,644,000	2,860,000
(d) Clothing, allowances, medical expenses, releases, and transfers	2,315,710	2,463,000	2,544,000
2. Maintenance and operation of institutions	9,240,722	10,369,000	10,964,000
3. Medical services	1,747,608	1,906,000	2,071,000
4. General administration	874,028	907,000	932,000
Total operating costs	34,817,576	39,963,282	41,903,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Operating costs—Continued			
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−$788,177	−$840,000	−$900,000
Property or services transferred in (−) without charge, net	−1,022,252	−1,000,000	−1,000,000
Total operating costs, funded	33,007,147	38,123,282	40,003,000
Capital outlay:			
2. Maintenance and operation of institutions	364,444	577,000	1,297,000
Total program costs, funded	33,371,591	38,700,282	41,300,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,793,178	
Obligations incurred for costs of other years, net	1,199,700		300,000
Total program (obligations)	34,571,291	36,907,104	41,600,000
Financing:			
1959 appropriation available in 1958	−1,312,896	1,312,896	
Unobligated balance no longer available	3,605		
New obligational authority	33,262,000	38,220,000	41,600,000
New obligational authority:			
Appropriation	$33,262,000	$35,773,000	$41,600,000
Proposed supplemental due to pay increases		2,447,000	

The activities of the Federal Prison System are conducted with the use of 3 separate appropriations, 2 trust funds, and a corporation.

This appropriation will provide for the custody and care of an average of 22,300 prisoners and the maintenance and operation of 30 institutions in the United States and the 5 jails and 1 camp in Alaska. It is expected that the Alaskan institutions will continue to be operated by the Bureau of Prisons until the State is prepared to operate its own jail system. An average of 4,607 persons will be employed with the funds in this appropriation. Full medical services are provided by the United States Public Health Service.

1. *Custody, care, and treatment of prisoners in Federal institutions.*—This covers the cost of the direct care of prisoners in the penal institutions of the Federal Prison System. It includes the cost of all food, clothing, education, custodial requirements, welfare services, transportation expenses upon release, and related personal services. The funds required, exclusive of salary costs, are in direct relation to the estimated average number of prisoners expected to be maintained in 1960 which is 22,300, at an estimated cost per man per day of $0.78. The average daily population for 1958 was 20,877 as compared to 20,332 in 1957.

2. *Maintenance and operation of institutions.*—This activity reflects administrative expenses, the cost of providing all utility services, operation of motor vehicles, the repair and maintenance of all buildings and facilities, and equipment replacements. The cost of personal services involved in these operations is also included. The increased cost of utilities, maintenance supplies, the need for reducing a large backlog of deferred maintenance items, and the reactivation of the institution at Sandstone, Minn., require additional funds in 1960.

3. *Medical services.*—Funds are allocated to Public Health Service to cover the cost of medical, psychiatric, and technical services.

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

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	1957 actual	1958 actual	1959 estimate	1960 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$3,086,878	$3,081,926	$2,600,000	$2,900,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	513,596	1,711,252	400,000	400,000
Total selected resources at end of year	3,600,474	4,793,178	3,000,000	3,300,000
Selected resources at start of year (−)		−3,600,474	−4,793,178	−3,000,000
Adjustment of selected resources reported at start of year		6,996		
Costs financed from obligations of other years, net (−)			−1,793,178	
Obligations incurred for costs of other years, net		1,199,700		300,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
BUREAU OF PRISONS			
Total number of permanent positions	4,256	4,315	4,497
Full-time equivalent of all other positions	46	49	52
Average number of all employees	4,164	4,250	4,369
Number of employees at end of year	4,310	4,335	4,500
Average GS grade and salary	6.3 $4,711	7.2 $5,522	7.2 $5,633
Average grade and salary established by Attorney General	16.0 $13,330	16.0 $14,921	16.0 $14,921
Average salary for ungraded positions	$4,922	$5,779	$5,929
01 Personal services:			
Permanent positions	$20,364,717	$23,336,000	$24,599,000
Positions other than permanent	220,265	272,900	294,000
Other personal services	1,123,698	1,259,100	1,442,000
Total personal services	21,708,680	24,868,000	26,335,000
02 Travel	350,217	394,000	484,000
03 Transportation of things	225,956	297,000	377,000
04 Communications services	138,920	177,000	200,000
05 Rents and utility service	797,749	835,000	905,000
06 Printing and reproduction	44,707	36,000	38,000
07 Other contractual services	279,712	388,000	410,000
08 Supplies and materials	6,613,830	7,822,282	7,670,000
09 Equipment	388,136	577,000	1,297,000
11 Grants, subsidies, and contributions	1,340,861	1,650,000	1,760,000
13 Refunds, awards, and indemnities	32,296	40,000	43,000
15 Taxes and assessments	5,346	10,000	10,000
Subtotal	31,926,410	37,094,282	39,529,000
Deduct quarters and subsistence charges	302,427	300,000	300,000
Total, Bureau of Prisons	31,623,983	36,794,282	39,229,000

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
Total number of permanent positions	238	244	253
Average number of all employees	221	224	238
Number of employees at end of year	219	225	239
Average GS grade and salary	7.4 $5,367	7.6 $5,941	7.6 $5,997
01 Personal services:			
Permanent positions	$1,580,392	$1,716,400	$1,832,900
Positions other than permanent	2,082	1,300	1,300
Other personal services	32,818	33,200	39,300
Total personal services	1,615,292	1,750,900	1,873,500
02 Travel	14,532	14,000	21,000
03 Transportation of things	37,046	34,000	50,300
07 Other contractual services	2,898	3,400	4,200
11 Grants, subsidies, and contributions	68,302	94,700	111,600
13 Refunds, awards, and indemnities	525		
15 Taxes and assessments	9,013	9,000	10,400
Total, Public Health Service	1,747,608	1,906,000	2,071,000
Total costs	33,371,591	38,700,282	41,300,000
Costs financed from obligations of other years, net (−)		−1,793,178	
Obligations incurred for costs of other years, net	1,199,700		300,000
Total obligations	34,571,291	36,907,104	41,600,000

Buildings and Facilities

For constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, *and not to exceed $9,875,000 for acquisition of a site and commencing construction of a new maximum security type institution,* including all necessary expenses incident thereto, by contract or force account, **[**$1,500,000**]** *$14,275,000: Provided,* That labor of United States prisoners may be used for work performed under this appropriation: *Provided further, That $75,000 of this appropriation shall be available for payment to the city of Ashland, Kentucky, as the Government's share of the cost of a new water line to serve the Federal Correctional Institution, Ashland, Kentucky.* (*Department of Justice Appropriation Act, 1959.*)

Appropriated 1959, **$1,500,000** Estimate 1960, **$14,275,000**

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1960	Appropriation required to complete
Program by activities:									
1. Construction:									
(a) Maximum security institution	$10,000,000	$6,691	$5,682	$112,627	$1,500,000		$8,375,000	$9,875,000	
(b) Western youth guidance center	8,000,000	682		124,318					$7,875,000
(c) Power plant, Lewisburg, Pa	1,750,000			400,000	1,000,000		350,000	1,350,000	
(d) Farm dorm, Leavenworth, Kans	570,000	27,480	167,299	170,615	184,606	$104,606	20,000	100,000	
(e) Farm dorm, Terre Haute, Ind	495,000	7,905	127,146	166,698	173,251	93,251	20,000	100,000	
(f) Kitchen and dining hall, Petersburg, Va	370,000	29,691	34,940	33,141	252,228	172,228	20,000	100,000	
(g) Powerplant, Chillicothe, Ohio	1,200,000				1,000,000		200,000	1,200,000	
(h) Other	4,630,900	2,578,818	267,246	648,593	1,001,243	86,243	135,000	1,050,000	
2. Repair and improvements	1,613,035		613,035	500,000	500,000			500,000	
Total program costs	28,628,935	2,651,267	1,215,348	2,155,992	5,611,328	456,328	9,120,000	14,275,000	7,875,000
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)				−179,991					
Obligations incurred for costs of other years, net			103,865		484,072				
Total program (obligations)			1,319,213	1,976,001	6,095,400				
Financing:									
Unobligated balance brought forward			−895,614	−576,401	−100,400				
Unobligated balance carried forward			576,401	100,400	8,280,000				
Appropriation (new obligational authority)			1,000,000	1,500,000	14,275,000				

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FEDERAL PRISON SYSTEM—Continued

Current authorizations—Continued

BUILDINGS AND FACILITIES—Continued

1. *Construction.*—The appropriation requested will provide funds for commencing the construction of a maximum security institution, and for constructing, remodeling, and equipping necessary buildings at existing institutions.

2. *Repair and improvements.*—A substantial portion of this work, as well as some construction, will be performed by inmate labor.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$280,835	$348,347	$231,353	$40,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	151,219	187,572	124,575	800,000
Total selected resources at end of year	432,054	535,919	355,928	840,000
Selected resources at start of year, net (−)	−432,054	−535,919	−355,928	−355,928
Costs financed from obligations of other years, net (−)			−179,991	
Obligations incurred for costs of other years, net		103,865		484,072

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	27	40	50
Average number of all employees	22	36	48
Number of employees at end of year	27	35	47
Average GS grade and salary	6.9 $4,945	8.0 $6,006	8.6 $6,373
Average salary for ungraded positions		$5,873	$5,896
01 Personal services:			
Permanent positions	$103,479	$218,000	$286,000
Positions other than permanent		5,000	5,000
Other personal services	5,173	7,000	8,000
Total personal services	108,652	230,000	299,000
10 Lands and structures	1,106,696	1,925,992	5,312,328
Total costs	1,215,348	2,155,992	5,611,328
Costs financed from obligations of other years, net (−)		−179,991	
Obligations incurred for costs of other years, net	103,865		484,072
Total obligations	1,319,213	1,976,001	6,095,400

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, [$2,600,000] *$3,100,000. (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, 1959.)*

Appropriated 1959, **$2,600,000** Estimate 1960, **$3,100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Care of United States prisoners in non-Federal institutions (total costs—obligations)	$2,794,744	$2,600,000	$3,100,000
Financing:			
Unobligated balance no longer available	5,256		
Appropriation (new obligational authority)	2,800,000	2,600,000	3,100,000

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 3,135 prisoners were boarded at a cost of $2.44 per day in 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$2,781,020	$2,583,000	$3,083,000
08 Supplies and materials	502	1,000	1,000
11 Grants, subsidies, and contributions	12,114	15,000	15,000
15 Taxes and assessments	1,108	1,000	1,000
Total obligations	2,794,744	2,600,000	3,100,000

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 [1959] *1960* for such corporation, except as hereinafter provided: *(Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1959.)*

PRISON INDUSTRIES FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$25,089,748	$24,785,700	$25,065,600
Administrative expense	404,476	477,300	477,400
Vocational training expense	632,702	704,000	824,000
Other expense	704,272	633,000	633,000
Total operating costs	26,831,198	26,600,000	27,000,000
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−485,061	−495,301	−506,400
Materials transferred in without charge (−)	−22,090	−50,000	−50,000
Other costs included above not requiring financing (−)	−130,100	−40,000	−40,000
Total operating costs, funded	26,193,947	26,014,699	26,403,600
Capital outlay:			
Buildings and improvements	623,870	2,095,000	1,504,000
Machinery and equipment	665,542	786,000	425,000
Total capital outlay	1,289,412	2,881,000	1,929,000
Unfunded adjustments to total capital outlay: Above capital assets transferred in (−) without charge, net	−30,479		
Total capital outlay, funded	1,258,933	2,881,000	1,929,000
Total program costs, funded	27,452,880	28,895,699	28,332,600
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−94,566	
Obligations incurred for costs of other years, net	3,574,635		
Total program (obligations)	31,027,515	28,801,133	28,332,600
Financing:			
Amounts becoming available: Revenue and receipts:			
Customers orders received: Commodities and services	39,609,525	30,500,000	31,000,000
Sale of scrap, etc., net	50,859	100,000	100,000
Vocational sale of products and services	39,317		
Proceeds from sale of machinery and equipment	17,603	40,000	40,000
Total amounts becoming available	39,717,304	30,640,000	31,140,000
Unobligated balance brought forward	11,168,313	17,858,102	16,946,969
Total amounts available	50,885,617	48,498,102	48,086,969
Capital transfer (payment of dividend to Treasury) (−)	−2,000,000	−2,750,000	−3,000,000
Unobligated balance carried forward	−17,858,102	−16,946,969	−16,754,369
Financing applied to program	31,027,515	28,801,133	28,332,600

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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, maximum vocational training for qualified inmates, and a placement service to assist released inmates to secure jobs. Products manufactured by the inmates are sold only to Government agencies. Earnings pay expenses of the Corporation and have permitted payment of $36 million in dividends into the Treasury since January 1, 1935.

Program highlights	*1958 actual*	*1959 estimate*	*1960 estimate*
Customers' orders received: Sales of commodities and services to Federal agencies	$39,609,525	$30,500,000	$31,000,000
Customers orders on hand June 30	$17,577,040	$17,577,040	$17,577,040
Net earnings	$4,393,217	$4,000,000	$4,100,000
Payment of dividends to Treasury	$2,000,000	$2,750,000	$3,000,000
Number of inmates employed full time	4,304	4,300	4,310
Number of inmates for whom vocational training is provided	12,065	12,200	12,300
Number of inmates receiving monetary awards	6,352	6,500	6,500
Amount of inmate awards granted	$280,816	$300,000	$300,000
Number of inmates assisted in job placements	1,897	2,250	2,500

Budget program.—During 1960 industries will operate 53 shops in 23 institutions. This is two less shops than in 1959, since it is expected to close the laundry at Alcatraz Island and the cannery at McNeil Island. During 1959 typewriter repair shops will be operated as industries at Danbury, Conn., and McNeil Island, Wash., whereas during 1958 they were operated solely as vocational training activities. During 1959 a new tank tread repair industry is to replace the furniture repair shop at Texarkana, Tex., and the clothing factory now at Atlanta will move to a new industry building in Tallahassee, Fla. During the past year industrial activities were diversified among 33 different lines of industry. The only new factory established during the year was a furniture refinishing shop at La Tuna, Tex., while at Springfield, Mo., the dental laboratory was replaced by a brush factory which brush factory previously operated as a branch of the brush factory at Leavenworth.

The following table indicates the breadth and scope of the vocational training program for 1957 and 1958.

	Number of training groups		*Number enrolled*		*Number completing courses*	
	1957	*1958*	*1957*	*1958*	*1957*	*1958*
Type of training:						
Agriculture	41	52	831	1,116	297	372
Industrial	69	78	1,432	1,612	509	572
Occupational	331	371	3,885	4,325	1,206	1,284
Trade	49	40	1,342	1,218	865	720
Special	85	72	3,524	3,794	2,152	2,250
Total	575	613	11,014	12,065	5,029	5,198

At present, 209 of the courses are accredited by the various State boards of vocational education, 27 courses are approved for apprenticeship training by State and local apprenticeship councils, and 49 courses are approved for certification by other accrediting agencies.

Because of the general unemployment situation during the year, the five placement units encountered considerable difficulties in finding jobs for released inmates. It is anticipated that during the current year placements will improve.

The 1960 budget limitation includes an administrative expense limitation of $475,000 which is 1.53% of estimated sales.

The 1960 limitation for vocational expense is $793,000, an increase of $119,000 over 1959, in order to augment the training program by employing an assistant superintendent for the Washington office, 1 additional placement officer, and 6 additional instructors.

CAPITAL EXPENDITURES

	1958 actual	*1959 estimate*	*1960 estimate*	*Estimated balance to complete*
Buildings and improvements:				
California, Alcatraz Island		$12,200		
California, Terminal Island	$6,045	300,000	$242,118	$100,000
Colorado, Englewood		100,000	125,000	
Connecticut, Danbury	95,771	124,042		
Florida, Tallahassee	128,589	84,685		
Georgia, Atlanta		150,000	599,000	1,201,000
Indiana, Terre Haute	16,431	188,341		
Kansas, Leavenworth	1,612		50,000	200,000
Michigan, Milan			50,000	200,000
Missouri, Springfield	2,619	350,000	40,000	
Oklahoma, El Reno	17,736			
Ohio, Chillicothe		50,000	150,000	100,000
Pennsylvania, Lewisburg	159,979	69,723		12,000
Texas, La Tuna	557	18,000		
Texas, Seagoville	2,264	150,000	40,000	
Texas, Texarkana	56,837			
Washington, McNeil Island	7,290	350,000	207,710	
West Virginia, Alderson	124,607	147,236		
Miscellaneous	205	773	172	
Total buildings and improvements	620,542	2,095,000	1,504,000	1,813,000
Machinery and equipment:				
California, Alcatraz	10,444	49,000	22,500	
California, Lompoc		5,000	5,000	
California, Terminal Island	1,865	5,210	5,000	
Connecticut, Danbury	7,119	5,000	5,000	
Florida, Tallahassee		10,400	5,000	
Georgia, Atlanta	148,806	185,600	100,600	
Indiana, Terre Haute	5,784	19,000	5,000	
Kansas, Leavenworth	107,185	93,180	6,400	
Kentucky, Ashland	7,903	5,000	5,000	
Michigan, Milan	32,048	125,530	17,000	
Missouri, Springfield	826	5,000	5,000	
New York, New York	195	5,000	5,000	
Ohio, Chillicothe	44,519	12,050	5,000	
Oklahoma, ElReno	100,729	30,200	5,000	
Pennsylvania, Lewisburg	75,217	93,275	147,890	
Texas, La Tuna	20,118	40,750	5,000	
Texas, Seagoville	2,777	50,000	5,000	
Texas, Texarkana	10,343	5,100	40,000	
Virginia, Petersburg	24,220	11,566	5,000	
Washington, McNeil Island	12,268	8,500	9,800	
West Virginia, Alderson	23,570	5,000	5,000	
West Virginia, Mill Point	537	11,400	5,000	
Washington office	1,918	5,000	5,000	
Miscellaneous		239	810	
Total machinery and equipment	638,391	786,000	425,000	
Total capital expenditures	1,258,933	2,881,000	1,929,000	1,813,000

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories, deferred charges, etc	$8,157,461	$8,646,566	$8,552,000	$8,552,000
Unpaid undelivered orders	3,047,400	6,132,930	6,132,930	6,132,930
Total selected resources at end of year	11,204,861	14,779,496	14,684,930	14,684,930
Selected resources at start of year (−)		−11,204,861	−14,779,496	−14,684,930
Costs financed from obligations of other years, net (−)			−94,566	
Obligations incurred for costs of other years, net		3,574,635		

Financing.—Profit from 1960 operations is expected to result in a minus budgetary expenditure of $3 million compared with $1.9 million for 1959 and $2.4 million for 1958. Dividends of $2 million were paid into the Treasury during 1958 and it is anticipated that $2.75 million will be paid for 1959 and $3 million for 1960.

Operating results.—1960 sales are estimated to increase $0.5 million to a total of $31 million and net income $0.1 million to a total of $4.1 million.

Retained earnings.—As of June 30, 1958, the Corporation's cumulative earnings amounted to $53.9 million, of which $17.9 million has been reinvested in the form of working capital, plant and equipment, and $36 million had been paid to the Treasury as corporate dividends. It is expected that retained earnings will increase to $20.3 million by June 30, 1960.

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FEDERAL PRISON SYSTEM—Continued

Intragovernmental funds—Continued

FEDERAL PRISON INDUSTRIES, INCORPORATED—Continued

PRISON INDUSTRIES FUND—continued

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of buildings and improvements	$620,542	$2,095,000	$1,504,000
Acquisition of machinery and equipment	638,391	786,000	425,000
Purchase of commodities for manufacture and sale	19,508,226	18,195,310	18,441,455
Expense	7,189,385	7,725,000	7,962,145
Increase in selected working capital	868,991		
Total gross expenditures	28,825,535	28,801,310	28,332,600
Receipts from operations (funds provided):			
Proceeds from sale of equipment	17,603	40,000	40,000
Revenue	31,185,098	30,600,000	31,100,000
Vocational revenue from sale of products and services	39,317		
Decrease in selected working capital		92,626	215,000
Total receipts from operations	31,242,018	30,732,626	31,355,000
Budget expenditures	−2,416,483	−1,931,316	−3,022,400

Revenue, Expense, and Retained Earnings

Revenue	$31,185,098	$30,600,000	$31,100,000
Expense	26,843,422	26,610,000	27,010,000
Net operating income	4,341,676	3,990,000	4,090,000
Nonoperating income:			
Proceeds from sale of equipment	17,603	40,000	40,000
Net book value of assets sold (−)	−5,379	−30,000	−30,000
Net gain from sale of equipment	12,224	10,000	10,000
Vocational revenue from sale of products and services	39,317		
Net nonoperating income	51,541	10,000	10,000
Net income for the year	4,393,217	4,000,000	4,100,000
Analysis of retained earnings:			
Retained earnings, beginning of year	15,548,258	17,941,475	19,191,475
Payment of dividends to Treasury (−)	−2,000,000	−2,750,000	−3,000,000
Retained earnings, end of year	17,941,475	19,191,475	20,291,475

Financial Condition

Assets:			
Cash with Treasury	$4,818,043	$3,999,359	$4,021,759
Accounts receivable, net	3,401,172	3,318,500	3,118,500
Commodities for sale or manufacture	8,644,389	8,550,000	8,550,000
Supplies, deferred charges, etc	2,178	2,000	2,000
Buildings and equipment, net	8,083,502	10,389,202	11,731,802
Total assets	24,949,284	26,259,061	27,424,061
Liabilities:			
Current	1,805,223	1,815,000	1,830,000
Government investment:			
Non-interest-bearing capital:			
Start of year	5,150,017	5,202,586	5,252,586
Property received during year without exchange of funds, net	52,569	50,000	50,000
End of year	5,202,586	5,252,586	5,302,586
Retained earnings	17,941,475	19,191,475	20,291,475
Total Government investment	23,144,061	24,444,061	25,594,061

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$4,401,560	$4,818,043	$3,999,359	$4,021,759
Obligated balance, net:				
Current liabilities	1,475,520	1,805,223	1,815,000	1,830,000
Unpaid undelivered orders	3,047,401	6,132,930	6,132,930	6,132,930
Unfilled customers' orders (−)	−9,101,754	−17,577,040	−17,577,040	−17,577,040
Accounts receivable, net, and cash in transit (−)	−2,187,920	−3,401,172	−3,318,500	−3,118,500
Total obligated balance	−6,766,753	−13,040,059	−12,947,610	−12,732,610
Unobligated balance	11,168,313	17,858,102	16,946,969	16,754,369

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed [$443,000] *$475,000* of the funds of the corporation shall be available for its administrative expenses, and not to exceed [$624,000] *$793,000* 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, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General administration (excludes depreciation)	$402,283	$475,000	$475,000
2. Vocational training (excludes depreciation)	603,578	674,000	793,000
Total program (costs—obligations)	1,005,861	1,149,000	1,268,000
Financing:			
Advances and reimbursements from other accounts	−39,317		
Unobligated balance no longer available	33,456		
Limitation	1,000,000	1,067,000	1,268,000
Proposed increase in limitation due to pay increases		82,000	

Object Classification

		1958 actual	1959 estimate	1960 estimate
	GENERAL ADMINISTRATION			
	Total number of permanent positions	52	52	51
	Full-time equivalent of all other positions	1		
	Average number of employees	45	49	49
	Number of employees at end of year	45	49	49
	Average GS grade and salary	8.3 $6,080	8.9 $7,102	8.9 $7,099
01	Personal services:			
	Permanent positions	$287,091	$352,500	$352,500
	Positions other than permanent	6,529	1,000	1,000
	Other personal services	1,347	1,536	2,912
	Excess of annual leave earned over leave taken	2,513	584	588
	Total personal services	297,480	355,620	357,000
02	Travel	29,424	29,000	29,000
03	Transportation of things	1,158	2,400	2,400
04	Communication services	4,769	5,350	5,350
05	Rents and utility services	19,151	19,151	19,151
06	Printing and reproduction	4,369	4,000	4,000
07	Other contractual services:			
	Audit by General Accounting Office	25,000	24,000	24,000
	Payment to employees' life insurance fund	877	1,000	1,000
	Technical, professional, and similar services		6,300	6,300
08	Supplies and materials	3,218	5,167	3,787
11	Grants, subsidies, and contributions	16,770	22,912	22,912
15	Taxes and assessments	67	100	100
	Total, general administration	402,283	475,600	475,000
	VOCATIONAL TRAINING			
	Total number of permanent positions	84	93	101
	Full-time equivalent of all other positions	7	7	7
	Average number of all employees	84	94	102
	Number of employees at end of year	91	100	108
	Average GS grade and salary	7.5 $5,173	9.0 $6,137	9.0 $6,256
01	Personal services:			
	Permanent positions	$436,556	$503,488	$601,876
	Positions other than permanent	32,045	37,500	37,500
	Other personal services	13,434	11,211	13,639
	Excess of annual leave earned over leave taken	1,160	1,000	1,000
	Total personal services	483,195	553,199	654,015
02	Travel	8,724	10,000	15,000
03	Transportation of things	1,709	1,000	2,000
04	Communication services	653	1,100	1,100
05	Rents and utility services	4,272	6,000	6,000
07	Other contractual services	1,632	1,600	1,700
	Printing and reproduction: Cost of inmate training in connection with	24,480	25,000	28,000
08	Supplies and materials	51,848	39,777	45,070

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
VOCATIONAL TRAINING—continued			
11 Grants, subsidies, and contributions	$26,484	$35,674	$39,415
15 Taxes and assessments	581	650	700
Total, vocational training	603,578	674,000	793,000
Total obligations	1,005,861	1,149,000	1,268,000

PERSONAL SERVICES NOT CHARGEABLE TO LIMITATION ACCOUNTS

	1958 actual	*1959 estimate*	*1960 estimate*
Total number permanent positions	380	384	384
Full-time equivalent of all other positions	67	68	68
Average number of employees	361	384	384
Number of employees at end of year	370	383	383
Average GS grade and salary	7.8 $5,572	8.0 $6,615	8.0 $6,732
Average salary of ungraded positions		$6,075	$6,338
01 Personal services:			
Permanent positions	$2,138,201	$2,407,247	$2,490,585
Positions other than permanent	5,482	4,000	4,000
Other payments for personal services	2,151,491	2,188,434	2,204,628
Total personal services	4,295,174	4,599,681	4,699,213

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Custody, care, and treatment of Federal prisoners	$1,082,212	$1,260,000	$1,280,000
2. Maintenance and operation of institutions	570,675	690,000	720,000
Total obligations	1,652,887	1,950,000	2,000,000
Financing:			
Advances and reimbursements from—			
Federal Prison Industries, Inc.	1,050,606	1,250,000	1,280,000
Other accounts	245,844	300,000	310,000
Non-Federal sources (64 Stat. 381)	356,437	400,000	410,000
Total financing	1,652,887	1,950,000	2,000,000

Object Classification

Total number of permanent positions		72		74		74
Full-time equivalent of all other positions		47		49		49
Average number of all employees		119		123		123
Number of employees at end of year		61		71		71
Average GS grade and salary	5.6	$4,406	6.6	$5,189	6.6	$5,189
01 Personal services:						
Permanent positions		$317,208		$384,000		$384,000
Positions other than permanent		206,051		254,000		254,000
Other personal services		18,090		22,000		22,000
Total personal services		541,349		660,000		660,000
02 Travel		2,127		3,000		3,000
03 Transportation of things		2,507		3,000		3,000
04 Communication services		20,089		22,000		22,000
05 Rents and utility service		303,467		400,000		420,000
07 Other contractual services		77,175		90,000		90,000
08 Supplies and materials		664,678		717,000		742,000
09 Equipment		20,720		21,000		21,000
11 Grants and contributions		17,025		30,000		35,000
13 Awards		200				
15 Taxes and assessments		3,550		4,000		4,000
Total obligations		1,652,887		1,950,000		2,000,000

OFFICE OF ALIEN PROPERTY

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY

(Trust fund)

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 [$2,500,000] *$1,500,000* 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] *$50,000* 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, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Management and liquidation	$635,660	$567,944	$295,275
2. Administrative adjudication of claims	1,233,616	1,155,233	460,553
3. Litigation	638,407	544,479	443,097
4. Administration	345,402	366,973	301,075
5. Vesting certain enemy-owned property	85,765	65,371	
Total obligations	2,938,850	2,700,000	1,500,000
Financing:			
Limitation	2,938,850	2,500,000	1,500,000
Proposed increase in limitation due to pay increases		200,000	

This Office takes care of the Government's interests in wartime measures against alien property. Most of the Office's work will be completed by the end of 1960. The remainder will probably be assigned to one of the Department's legal divisions.

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.

	1958 actual	*1959 estimate*	*1960 estimate*
Business enterprises:			
Pending, beginning of year	9	6	2
Terminated	3	4	2
Pending, end of year	6	2	
Real and personal property:			
Pending, beginning of year	309	121	51
Received	21	50	75
Terminated	209	120	126
Pending, end of year	121	51	
Patent management: Number managed	6,876	4,551	2,954

2. *Administrative adjudication of claims.*—Claims against vested property subject to administrative adjudication stand as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Number of claims:			
Pending, beginning of year	22,954	12,332	2,922
Received	85		
Terminated	10,707	9,470	1,072
Pending, end of year	12,332	2,922	1,850

3. *Litigation.*—Defense is provided in court proceedings brought against the Government for the return of vested property. The figures are:

	1958 actual	*1959 estimate*	*1960 estimate*
Number of cases:			
Pending, beginning of year	1,156	530	370
Received	144	163	58
Terminated	770	323	132
Pending, end of year	530	370	296

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OFFICE OF ALIEN PROPERTY—Continued

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY—Continued

(Trust fund)—Continued

5. *Vesting certain enemy-owned property.*—Certain assets of Bulgaria, Hungary, and Rumania and/or nationals thereof, are vested pursuant to the International Claims Settlement Act of 1949, as amended (22 U. S. C. 1631).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	370	320	172
Full-time equivalent of all other positions	5	2	
Average number of all employees	341	302	141
Number of employees at end of year	335	180	35
Average GS grade and salary	8.5 $6,560	8.5 $7,315	9.3 $8,110
Average salary of ungraded positions	$4,626	$4,626	$4,936
01 Personal services:			
Permanent positions	$2,345,379	$2,207,683	$1,216,616
Positions other than permanent	32,076	13,100	
Other personal services	28,471	11,717	2,754
Total personal services	2,405,926	2,232,500	1,219,370
02 Travel	27,737	22,000	17,000
03 Transportation of things	821	3,000	3,000
04 Communication services	25,792	19,200	10,000
05 Rents and utility services	138,137	136,000	75,000
06 Printing and reproduction	10,416	7,750	15,000
07 Other contractual services	61,253	36,375	30,000
Services performed by other agencies	104,900	100,000	50,000
08 Supplies and materials	19,591	7,135	5,000
09 Equipment	777	4,500	500
11 Grants, subsidies, and contributions	142,010	130,540	74,845
15 Taxes and assessments	1,490	1,000	285
Total obligations	2,938,850	2,700,000	1,500,000

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. 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). (*Department of Justice Appropriation Act, 1959.*)

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. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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.	1	$1,500	1	$100	$1,400	5	[1] $1,000	Two leased and 5 Government-owned cars for use of Attorney General and departmental officials
Station wagon						1		Departmental use.
Salaries and expenses, legal activities.						14		Used by United States marshals and their deputies for transporting Federal prisoners, and law enforcement duties in Alaska.
Bus						[2] 7		Used by United States marshals and their deputies for transporting prisoners.
Total, legal activities and general administration.	1	1,500	1	100	1,400	27	1,000	
FEDERAL BUREAU OF INVESTIGATION								
Salaries and expenses	500	750,000	500	75,000	675,000	2,600		Used by special agents in field work.
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.
Total, Federal Bureau of Investigation.	501	760,000	501	75,000	685,000	2,603		
IMMIGRATION AND NATURALIZATION SERVICE								
Salaries and expenses	240	360,000	240	36,000	324,000	717	500	[3].
Bus						22		[4].
Station wagon						1		[3].
Total, Immigration and Naturalization Service.	240	360,000	240	36,000	324,000	740	500	

[1] Yearly rental of cars used by departmental officials.

[2] Excludes 1 bus for emergency replacement only.

[3] 2 automobiles and 1 station wagon used in Washington by commissioner and staff officers (stationed at 119 D Street NE.) for transportation to and from official meetings in Department of Justice, Bureau of the Budget, Capitol, and other Government agencies; also by messengers for delivery of special or classified mail in the Washington area. 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. 946 used in the field by regional and district staff officers, investigators, patrol inspectors, immigrant inspectors, naturalization examiners, 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.

[4] 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 1960—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.	23	$31,500	18	$4,500	$27,000	58	----------	Wardens and staff at institutions—for administrative purposes, transfer and recapture of prisoners, jail inspections. (6 autos are used in the Washington area.)
Station wagon	----------	----------	----------	----------	----------	1	----------	Do.
Ambulance	----------	----------	----------	----------	----------	1	----------	Transporting ill and disabled inmates to and from institution hospitals.
Bus	3	68,000	2	1,000	67,000	11	----------	Transferring prisoners between institutions, between activities at institutions and to transportation terminals.
Total, Bureau of Prison System.	26	99,500	20	5,500	94,000	71	----------	
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	768	1,221,000	762	116,600	1,104,400	3,443	1,500	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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	9	$116,300	4	$2,000	$114,300	24	$653,400	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 includes new obligational authority of $570 million for the Department of Labor for 1960, a decrease of $31 million from the current year. Expenditures in 1960 are estimated to be $445 million less than in 1959 due almost entirely to the expiration in 1959 of the temporary unemployment compensation program. Fifty-eight percent of the total new obligational authority requested is for grants to States for administration of the Federal-State employment security system. Another 34% is for the cost of unemployment compensation and workmen's compensation benefits for Federal employees. The remaining 8% is for the regular operating budgets for the various bureaus of the Department.

Labor and manpower.—Of new obligational authority of $370 million for the labor and manpower functions of the Department of Labor, $329 million is for grants to the States and $41 million is for the administrative costs of the Department.

The Federal-State system of employment security, consisting of 53 State agencies and about 1,800 local offices, provides unemployment compensation to individuals and assists them in securing employment. The expected reduction in the level of unemployment in 1960 will make possible a reduction in the State employment security staffs, but $3 million more is being requested for this program in 1960 primarily because of increases in State salaries. This system is administered by the States entirely with Federal funds out of the earmarked receipts of the Federal employment tax. Excess receipts not used for the administration of the program are appropriated by law to a special $200 million Federal fund in the Unemployment Trust Fund for loans to States whose benefit reserves become inadequate. Receipts not needed for the loan fund are appropriated by law to the individual State benefit accounts in the unemployment trust fund. These appropriations are shown in the Treasury chapter.

Because the earmarked receipts of the Federal Unemployment Tax Act are available only for employment security purposes, legislation will be proposed to finance this program through a trust account, as is done with the other social insurance programs.

Unemployment compensation benefit payments are made to eligible individuals in accordance with State laws which meet Federal requirements, and are financed by State employment taxes which are deposited in the unemployment trust fund. The transactions for this trust fund are shown in part III of the budget. Legislation will be proposed on unemployment compensation.

In addition to the State programs, there are two permanent unemployment insurance programs financed entirely by the Federal Government, one for Federal employees and ex-servicemen and one for Korean-conflict veterans; these are discussed below under veterans' services and benefits, and central personnel management and employment costs, respectively. Payments are made by the States as agents for the Federal Government.

Under similar arrangements, in those States entering into agreements, a temporary Federal program in 1958 and 1959 provided additional weeks of benefits equal to one-half of the weeks provided by the State. Twenty-two States, representing 76% of all individuals expected to exhaust their regular benefits, either made these payments or extended the duration of benefits under their own laws. New obligational authority of $666 million was provided in 1958 and expenditures were $48 million in 1958 and are estimated to be $412 million in 1959 for this program. The program is scheduled to terminate on April 1, 1959. Under present law these funds will be restored to the Treasury through an automatic increase in the Federal unemployment tax starting in 1963, in those States receiving Federal funds, or the funds can be restored earlier in some other manner by State action.

Within the appropriation for grants to the States, about $90 million directly supports the employment service which is one of the key elements in our free labor market. In the local offices record is made of the skills of available workers and the requirements of jobs that employers need to fill. An attempt is then made to match the two, utilizing, where necessary other offices and even the interstate clearance system. Workers are counseled and tested so that they will be properly placed. Close contact with employers is also necessary to help understand their skill requirements. Special job placement efforts are made on behalf of young people, handicapped workers, older workers, and low income farm families.

In the field of labor standards two new laws will require additional funds for administrative costs in 1960. Under the Welfare and Pension Plans Disclosure Act, enacted in 1958, administrators of plans subject to the act must file a description of each plan with the Secretary of Labor, and must file a financial report annually. The Bureau of Labor Standards will examine these reports, summarize them statistically, and make copies available for public inspection. Amendments to the act will be recommended mainly to strengthen the basic authority. The Longshoremen's and Harbor Workers' Compensation Act was amended in 1958 to require the Secretary of Labor to establish and enforce safety regulations for longshoremen and harbor workers. This will be done by the Bureau of Labor Standards in conjunction with its established safety programs. A supplemental appropriation will be requested for 1959 because of these two new laws. Additional funds are being requested to place these programs on an annual basis in 1960.

During 1958, the Wage and Hour Division made 53,796 investigations for minimum wage, overtime, and child labor violations. These investigations revealed $19.7 million in wages due, of which employers have agreed to pay $10.9 million. With a slightly smaller but more experienced staff, approximately the same level of investigation activity will be maintained in 1959 and 1960 under the current act. It will again be proposed, however, that the coverage of the Fair Labor Standards Act be extended.

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Legislation also will again be proposed in 1960 to charge to employers the Bureau of Employees Compensation costs in administering the insurance provisions of the Longshoremen's and Harbor Workers' Compensation Act.

All costs of the Mexican farm labor program, except the cost of compliance, are borne—through a revolving fund—by farmers employing Mexican workers. In 1960, the full salaries of the compliance staff will be charged to appropriated funds, thus reducing costs to farmers.

Increases are requested for the Bureau of Labor Statistics for projects to maintain the validity of several statistical series and indexes. The establishment of a new governmentwide standard industrial classification will require retabulation of data on employment, hours, earnings and turnover. Similarly, new industry and establishment codes will be determined for establishments reporting injury statistics. Several surveys will be extended to the new State of Alaska.

Beginning in July 1959, responsibility for the Monthly Report on the Labor Force will be transferred from the Bureau of the Census to the Bureau of Labor Statistics. The Report estimates the size of the labor force and the total amount of employment and unemployment with detail on characteristics, occupations, type of work, and geographic location. The Bureau of the Census will continue to collect and tabulate the data, with the final responsibility for the estimates and their analysis being vested in the Bureau of Labor Statistics which will request the necessary funds for the entire program. Thus responsibility for the publication of all data on employment and unemployment will be centralized in the Department of Labor, which will continue the present weekly series of the Bureau of Employment Security on unemployment covered by the Federal-State insurance system and the monthly series of the Bureau of Labor Statistics on nonagricultural employment as shown by payroll data.

Changes in retailing since 1952 require an expansion of the present pricing program for the Consumer Price Index. With the appropriation recommended for 1960 important commodities showing wide variation in magnitude and frequency of price change will be priced more frequently. The sample of items priced also will be increased to be more representative, and the number of quotations per city will be expanded wherever prices vary considerably within a city. In addition, a complete revision of the Index will be initiated for completion in 1964, 12 years after the last revision.

In 1960 the Labor Department's portion of the construction statistics program will be shifted to the Department of Commerce to be consolidated and funded with the rest of this statistical program. At the same time the Department of Labor program for data on labor requirements will be strengthened.

Other veterans' services and administration.—Payments under the program of unemployment compensation for Korean-conflict veterans will be $36 million less in 1960 than in 1959, and no payments will be made after January 1, 1960. The purpose of the program will be fulfilled by the new program for ex-servicemen, discussed below.

Central personnel management and employment costs.—On October 28, 1958, a new law went into effect providing unemployment compensation benefits for ex-servicemen. The act redefines Federal service in the existing law to include military service, and the new program will be administered and funded as part of the existing program for former Federal Government employees. Benefits are computed under the law of each State on the same basis as benefits for former employees of private establishments. The Bureau of Employment Security supervises the program and reimburses the States for their costs.

In 1959 this program will require $118 million, including a supplemental appropriation of $41.2 million. In 1960, $9 million additional will be needed, despite the anticipated reduction in unemployment generally, since this will be the first full year for the program.

Compensation payments for Federal workers that are paid by the Bureau of Employees Compensation, will be $10 million less in 1960. Under a recent ruling in an appealed case, a one-time retroactive payment is being made in 1959 to survivors of military personnel who died during the Korean conflict.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Veterans' services and benefits:						
102 Other veterans' readjustment benefits	$75,549	$44,000	$8,000	$75,278	$44,000	$8,000
106 Other veterans' services and administration	563	588	592	523	604	589
Total, veterans' services and benefits	76,112	44,588	8,592	75,801	44,604	8,589
Labor and welfare:						
211 Labor and manpower	988,453	363,260	369,555	371,617	771,687	364,610
General government:						
606 Central personnel management and employment costs	116,942	192,968	192,080	119,218	190,966	188,846
Total, Department of Labor	1,181,507	600,816	570,227	566,636	1,007,257	562,045

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
OFFICE OF THE SECRETARY												
Current authorizations:												
Salaries and expenses	211	$1,539	$1,478	$124	$1,621	$1,506	$1,500	$117	$1,617	$1,607	$7	$1,614
Intragovernmental funds:												
Working capital fund	211					−70	36		36	−39		−39
Advances and reimbursements	211					55	8		8			
Total, Office of the Secretary		1,539	1,478	124	1,621	1,491	1,544	117	1,661	1,568	7	1,575
OFFICE OF THE SOLICITOR												
Current authorizations:												
Salaries and expenses	211	2,207	2,431	212	2,695	2,085	2,334	203	2,537	2,679	9	2,688
BUREAU OF LABOR STANDARDS												
Current authorizations:												
Salaries and expenses	211	1,022	1,004	84	2,680	988	1,024	80	1,104	2,661	4	2,665
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Salaries and expenses	211			690				600	600		90	90
Total, Bureau of Labor Standards		1,022	1,004	774	2,680	988	1,024	680	1,704	2,661	94	2,755
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS												
Current authorizations:												
Salaries and expenses	106	563	542	46	592	523	561	43	604	586	3	589
BUREAU OF APPRENTICESHIP AND TRAINING												
Current authorizations:												
Salaries and expenses	211	3,746	3,700	325	4,047	3,571	3,830	306	4,136	4,026	19	4,045
BUREAU OF EMPLOYMENT SECURITY												
Current authorizations:												
Salaries and expenses	211	131	6,519	577	7,262	246	6,143	537	6,680	7,191	40	7,231
Grants to States for unemployment compensation and employment service administration	211	292,814	325,600		328,684	295,479	322,182		322,182	324,367		324,367
Unemployment compensation for veterans and Federal employees:												
(Veterans readjustment benefits)	102	75,549	44,000		8,000	75,278	44,000		44,000	8,000		8,000
(Central personnel management and employment costs)	606	54,400	76,800		127,000	56,769	76,800		76,800	122,000		122,000
Compliance activities, Mexican farm labor program	211		481	39	873		439	36	475	839	3	842
Salaries and expenses, Mexican farm labor program	211	2,335				2,228	1,782		1,782	1,358		1,358
Temporary unemployment compensation	606	665,700				47,742	412,089		412,089			
Public enterprise funds:												
Farm labor supply revolving fund	211					−486	−2,061		−2,061	−1,798		−1,798
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Salaries and expenses	211			54				50	50		4	4
Unemployment compensation for veterans and Federal employees	606			41,200				39,200	39,200		2,000	2,000
Total, Bureau of Employment Security		1,090,929	453,400	41,870	471,819	477,256	861,374	39,823	901,197	461,957	2,047	464,004
BUREAU OF EMPLOYEES' COMPENSATION												
Current authorizations:												
Salaries and expenses	606	2,952	2,811	257	3,080	2,859	2,821	245	3,066	2,834	12	2,846
Claims and expenses (indefinite)	606	59,590	71,900		62,000	59,590	71,900		71,900	62,000		62,000
Total, Bureau of Employees' Compensation		62,542	74,711	257	65,080	62,449	74,721	245	74,966	64,834	12	64,846

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
BUREAU OF LABOR STATISTICS												
Current authorizations:												
Salaries and expenses	211	$7,463	$7,424	$595	$9,465	$7,289	$7,536	$556	$8,092	$9,340	$39	$9,379
Revision of Consumer Price Index	211				230					215		215
Intragovernmental funds:												
Advances and reimbursements	211					−3	9		9	36		36
Total, Bureau of Labor Statistics		7,463	7,424	595	9,695	7,286	7,545	556	8,101	9,591	39	9,630
WOMEN'S BUREAU												
Current authorizations:												
Salaries and expenses	211	480	462	44	509	447	475	42	517	505	2	507
WAGE AND HOUR DIVISION												
Current authorizations:												
Salaries and expenses	211	11,016	10,500	917	11,489	10,540	11,072	762	11,834	11,251	155	11,406
Total new obligational authority and budget expenditures		1,181,507	555,652	45,164	570,227	566,636	964,480	42,777	1,007,257	559,658	2,387	562,045
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$1,181,507	$555,652		$570,227	$566,636	$964,480			$559,658		
Proposed for later transmission:												
Pay increase supplemental appropriations			3,220				2,927			293		
Other: Appropriations			41,944				39,850			2,094		
Total new obligational authority and budget expenditures		1,181,507	600,816		570,227	566,636	1,007,257			562,045		

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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
BUREAU OF EMPLOYMENT SECURITY										
Farm labor supply revolving fund	211	$3,252	$3,670	$3,669	$3,738	$5,731	$5,467	−$486	−$2,061	−$1,798

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
OFFICE OF THE SECRETARY											
Current authorizations:											
Salaries and expenses		$52		$85		$67	$1,621	$1,547	$67		$74
Intragovernmental funds:											
Working capital fund			−$65	70	−$50	34			−39	−$31	73
Advances and reimbursements	$3	87		8							
Total, Office of the Secretary	3	139	−65	163	−50	101	1,621	1,547	28	−31	147
OFFICE OF THE SOLICITOR											
Current authorizations:											
Salaries and expenses		93		227		318	2,695	2,370	318		325
BUREAU OF LABOR STANDARDS											
Current authorizations:											
Salaries and expenses		68		106		83	2,680	2,582	83		98
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Salaries and expenses						90			90		
Total, Bureau of Labor Standards		68		106		173	2,680	2,582	173		98
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS											
Current authorizations:											
Salaries and expenses		19		61		44	592	545	44		47
BUREAU OF APPRENTICESHIP AND TRAINING											
Current authorizations:											
Salaries and expenses		193		370		245	4,047	3,804	241		247
BUREAU OF EMPLOYMENT SECURITY											
Current authorizations:											
Salaries and expenses		201		80		496	7,262	6,735	496		527
Grants to States for unemployment compensation and employment service administration		2,108		3,412		6,830	328,684	320,955	3,412		11,147
Unemployment compensation for veterans and Federal employees	2,593	3,195		1,640		1,640	135,000	128,360	1,640		6,640
Compliance activities, Mexican farm labor program						45	873	799	43		76
Salaries and expenses, Mexican farm labor program		99		196		95			1,358		[1] 74
Temporary unemployment compensation			617,928	617,958							
Public enterprise funds:											
Farm labor supply revolving fund	371	911	675	1,397	419	1,778			−1,798	880	[1] 2,239
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Salaries and expenses						4			4		
Unemployment compensation for veterans and Federal employees						2,000			2,000		
Total, Bureau of Employment Security	2,964	6,514	618,603	624,683	419	12,888	471,819	456,849	7,155	880	20,703
BUREAU OF EMPLOYEES' COMPENSATION											
Current authorizations:											
Salaries and expenses		137		236		234	3,080	2,612	234		468
Claims and expenses (indefinite)							62,000	62,000			
Total, Bureau of Employees' Compensation		137		236		234	65,080	64,612	234		468

[1] Reflects transfers between accounts.

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
BUREAU OF LABOR STATISTICS											
Current authorizations:											
Salaries and expenses		$460		$652		$558	$9,465	$8,850	$529		$644
Revision of Consumer Price Index							230	215			15
Intragovernmental funds:											
Advances and reimbursements		42		45		36			36		
Total, Bureau of Labor Statistics		502		697		594	9,695	9,065	565		659
WOMEN'S BUREAU											
Current authorizations:											
Salaries and expenses		20		51		39	509	468	39		41
WAGE AND HOUR DIVISION											
Current authorizations:											
Salaries and expenses		480		969		530	11,489	10,876	530		613
Total, Department of Labor	$2,967	8,165	$618,538	627,563	$369	15,166	570,227	552,718	9,327	$849	23,348
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations shown above	$2,593	$7,125	$617,928	$626,043		$11,224					$21,036
Balances of anticipated pay increase supplementals not identified above						−293	$570,227	$552,718	$6,940		
Subtotal	2,593	7,125	617,928	626,043		10,931					21,036
Revolving and management funds	374	1,040	610	1,520	$369	1,848				$849	2,312
Proposed for later transmission:											
Appropriations						2,094					
Balances of anticipated pay increase supplementals not identified above						293			2,387		
Subtotal						2,387					
Total, Department of Labor	2,967	8,165	618,538	627,563	369	15,166	570,227	552,718	9,327	849	23,348

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$7,125	$626,043	$10,931
Revolving and management funds	1,040	1,520	1,848
Proposed for later transmission:			
Pay increase supplemental appropriations			293
Other: Appropriations			2,094
Total balance brought forward	8,165	627,563	15,166
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	1,181,507	555,652	570,227
Proposed for later transmission:			
Pay increase supplemental appropriations		3,220	
Other: Appropriations		41,944	
Total new obligational authority proposed for later transmission		45,164	
Total new obligational authority	1,181,507	600,816	570,227
Other amounts available:			
Appropriations available in prior year	−24,673	−33,510	−33,421
Appropriations available from subsequent year	33,510	33,421	33,421
Total other amounts available	8,837	−89	
Total budget authorizations available	1,198,510	1,228,290	585,393
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	566,636	964,480	552,718
Out of balance of prior obligational authority			6,940
Total expenditures from obligational authority enacted or recommended	566,636	964,480	559,658
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		2,927	293
Other:			
Out of new obligational authority		39,850	
Out of balance of prior obligational authority			2,094
Total expenditures from obligational authority proposed for later transmission		42,777	2,387
Total budget expenditures	566,636	1,007,257	562,045
Amounts no longer available:			
Unobligated balances expiring and lapsing	4,251	205,867	
Adjustment of balances downward in expired account, net	60		
Total amounts no longer available	4,311	205,867	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	626,043	10,931	21,036
Revolving and management funds	1,520	1,848	2,312
Proposed for later transmission:			
Pay increase supplemental appropriations		293	
Other: Appropriations		2,094	
Total balances carried forward at close of year	627,563	15,166	23,348
Obligations incurred, net	$570,522	$1,013,029	$569,747

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OFFICE OF THE SECRETARY

Current authorizations:

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); [$1,478,000] *$1,621,000,* of which not more than [$213,000] *$232,485* shall be for international labor affairs *and not to exceed $2,000 shall be for official entertainment expenses. (5 U. S. C. 297, 611–622; Executive Order 6166; Department of Labor Appropriation Act, 1959.)*

Appropriated 1959, **$1,478,000** Estimate 1960, **$1,621,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction	$377,012	$334,800	$348,513
2. Program evaluation and coordination	269,069	293,950	295,189
3. International labor affairs	186,832	231,675	232,485
4. Central information, personnel, library, and fiscal services	706,094	741,575	744,813
5. 1959 program obligated in 1958	3,194	−3,194	
Total obligations	1,542,201	1,598,806	1,621,000
Financing:			
1959 appropriation available in 1958	−3,194	3,194	
Unobligated balance no longer available	104		
New obligational authority	1,539,111	1,602,000	1,621,000
New obligational authority:			
Appropriation	$1,480,000	$1,478,000	$1,621,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	59,111		
Appropriation (adjusted)	1,539,111	1,478,000	1,621,000
Proposed supplemental due to pay increases		124,000	

This Office is responsible for governmental policy formulation affecting labor and directs all programs assigned to the Department.

2. *Program evaluation and coordination.*—This embraces top level planning 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 departmental 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	181	187	187
Average number of all employees	176	178	178
Number of employees at end of year	181	187	187
Average GS grade and salary	8.4 $6,377	8.6 $7,206	8.6 $7,206
Average salary of ungraded positions	$3,900	$3,900	$3,900
01 Personal services:			
Permanent positions	$1,242,211	$1,340,130	$1,340,130
Other personal services	11,343	11,140	16,281
Total personal services	1,253,554	1,351,270	1,356,411
02 Travel	32,975	31,500	31,500
03 Transportation of things	948	700	700
04 Communication services	39,128	37,975	39,834
05 Rents and utility services	48,950		
06 Printing and reproduction	15,830	33,150	33,150
07 Other contractual services	19,658	9,245	21,245
Services performed by other agencies	12,424	12,525	12,525
08 Supplies and materials	$31,704	$34,015	$34,015
09 Equipment	6,107	4,200	4,200
11 Grants, subsidies, and contributions	75,498	87,420	87,420
13 Refunds, awards, and indemnities	1,525		
15 Taxes and assessments	706		
1959 program obligated in 1958	3,194	−3,194	
Total obligations	1,542,201	1,598,806	1,621,000

Intragovernmental funds:

WORKING CAPITAL FUND

This fund was established within the Office of the Secretary to provide centralized services for the various bureaus in Washington and their field offices (5 U. S. C. 662a). Activities are described as follows:

Communication service consists of furnishing all communication, mail and messenger services to the various bureaus.

Central supply consists of purchasing and distribution functions of equipment and supplies.

Duplicating service consists of offset printing, mimeographing and mailing of publications, bulletins, leaflets, and statistical data.

Visual exhibits consists of preparing displays for public information as well as internal use.

Financing.—The stocks of supplies and equipment on hand or on order June 30, 1957, were used to capitalize the fund. The fund is reimbursed in advance by the bureaus, offices, and agencies for which services are performed.

Operating results.—Services rendered are charged for at rates which return in full all expense of operation, including reserves for accrued leave and depreciation of equipment.

Sources and Application of Funds (Operation)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Communication service: Expense	$125,428	$349,700	$344,500
Central supply: Expense	211,465	216,700	213,800
Duplicating service:			
Acquisition of equipment	9,208	17,000	10,000
Expense	293,088	310,500	319,600
Cost of goods sold	112,694	100,000	100,000
Visual exhibits:			
Acquisition of equipment		1,000	2,000
Expense	79,796	82,400	84,100
Increase in selected working capital		56,119	
Total gross expenditures	831,679	1,133,419	1,074,000
Receipts from operations (funds provided):			
Communication service: Revenue	125,860	350,300	345,000
Central supply: Revenue	213,435	219,300	216,000
Duplicating service: Revenue	416,513	427,300	434,000
Visual exhibits: Revenue	80,610	83,400	85,000
Undistributed receipts:			
Proceeds from sale of equipment	905	2,000	1,000
Donated working capital	2,980	15,000	
Decrease in selected working capital	61,618		32,200
Total receipts from operations	901,921	1,097,300	1,113,200
Budget expenditures	−70,242	36,119	−39,200

Revenue, Expense, and Retained Earnings

Communication service:			
Revenue	$125,860	$350,300	$345,000
Expense	125,860	350,300	345,000
Net operating income or loss (−), communication service			
Central supply:			
Revenue	213,435	219,300	216,000
Expense	213,435	219,300	216,000
Net operating income or loss (−), central supply			

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Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Duplicating service:			
Revenue	$416,513	$427,300	$434,000
Expense	416,513	425,300	431,000
Net operating income, duplicating service		2,000	3,000
Visual exhibits:			
Revenue	80,610	83,400	85,000
Expense	80,610	83,400	85,000
Net operating income or loss (−), visual exhibits			
Nonoperating income or loss (−):			
Proceeds from sale of equipment	905	2,000	1,000
Net book value of assets sold (−)	−905	−4,000	−4,000
Net loss (−) from sale		−2,000	−3,000
Net income or loss (−) for the year			

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$70,242	$35,600	$77,800
Accounts receivable	23,997	50,000	40,000
Supplies	54,242	74,000	60,000
Equipment, net	72,502	66,026	56,026
Total assets	220,983	225,626	233,826
Liabilities:			
Current	139,857	129,500	137,700
Government investment:			
Non-interest-bearing capital:			
Start of year		81,126	96,126
Donated assets during year:			
Working capital	2,980		
Equipment	78,146	15,000	
End of year	81,126	96,126	96,126

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $36,205; 1959, $25,000; and 1960, $30,000. Accepted orders on hand are as follows: June 30, 1958, $17,060; 1959, $18,500; and 1960, $18,500.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	118	124	124
Average number of all employees	118	124	124
Number of employees at end of year	115	122	123
Average GS grade and salary	4.7 $4,508	4.8 $4,722	4.8 $4,722
Average salary of ungraded positions	$4,362	$4,455	$4,455
01 Personal services:			
Permanent positions	$519,913	$568,112	$570,575
Other personal services	23,957	21,888	19,425
Excess of annual leave earned over leave taken	4,322	5,000	5,000
Total personal services	548,192	595,000	595,000
02 Travel	2,319	17,600	18,000
03 Transportation of things	2,814	3,000	3,000
04 Communication services	2,616	149,300	150,000
05 Rents and utility services	4,236	10,100	10,000
07 Other contractual services	10,678	28,200	28,000
08 Supplies and material	220,968	222,900	225,100
09 Equipment	9,403	17,207	12,000
11 Grants, subsidies, and contributions	29,742	32,300	32,000
13 Refunds, awards, and indemnities	260	300	300
15 Taxes and assessments	650	600	600
Total costs	831,878	1,076,507	1,074,000
Costs financed from obligations of other years, net (−)			−9,000
Obligations incurred for costs of other years, net	90,247	9,347	
Total obligations	922,125	1,085,854	1,065,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Ryukyuan labor leaders' program (Department of the Army)	$6,725	$2,900	
2. Cooperative program for exchange of persons in field of labor (Department of State)	420		
3. Special study to obtain compliance with terms of Government contracts:			
Atomic Energy Commission	$30,176	$55,370	$55,370
Department of Defense	121,562	158,200	158,200
Department of Commerce	18,234	23,730	23,730
General Services Administration	42,547	55,370	55,370
4. Confidential project	85,882	93,000	
5. Miscellaneous services to other accounts	201,451	79,200	79,200
6. Prior year advances returned	6,136		
Total obligations	513,133	467,770	371,870
Financing:			
Unobligated balance brought forward	3,284		
Advances and reimbursements from other accounts	506,724	467,770	371,870
Recovery of prior year obligations	3,272		
Unobligated balance no longer available	−147		
Total financing	513,133	467,770	371,870

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	43	37	25
Full-time equivalent of all other positions	1		
Average number of all employees	41	37	25
Number of employees at end of year	47	37	25
Average GS grade and salary	8.3 $6,088	8.5 $6,826	8.7 $6,926
01 Personal services:			
Permanent positions	$256,345	$252,575	$173,170
Positions other than permanent	7,667		
Total personal services	264,012	252,575	173,170
02 Travel	45,449	40,000	35,000
03 Transportation of things	2,410	2,000	1,000
04 Communication services	27,270	28,000	28,000
05 Rents and utility services	10,016	10,000	10,000
06 Printing and reproduction	25,854	25,000	25,000
07 Other contractual services	85,518	81,195	78,750
08 Supplies and materials	9,703	9,700	9,700
09 Equipment	16,500		
11 Grants, subsidies, and contributions	19,699	19,300	11,250
13 Refunds, awards, and indemnities	6,136		
15 Taxes and assessments	566		
Total obligations	513,133	467,770	371,870

OFFICE OF THE SOLICITOR

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of the Solicitor, [$2,321,000] *$2,695,000. (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 1959.)*

Appropriated 1959, [a] **$2,431,000** Estimate 1960, **$2,695,000**

[a] Includes $110,000 appropriated in Supplemental Appropriation Act of 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Departmental program activities:			
(a) Litigation	$301,906	$322,977	$324,053
(b) Interpretations and legal advisory services	288,747	304,272	348,319
(c) Wage determinations	416,340	508,537	509,969
(d) Legislative advisory services	178,856	180,656	181,274
2. Field legal services	1,028,855	1,113,941	1,117,453
3. Executive direction and management	199,777	212,617	213,932
4. 1959 program obligated in 1958	13,464	−13,464	
Total obligations	2,427,945	2,629,536	2,695,000
Financing:			
1959 appropriation available in 1958	−13,464	13,464	
Advances and reimbursements from non-Federal sources (70 Stat. 387)	−208,225		
Unobligated balance no longer available	469		
New obligational authority	2,206,725	2,643,000	2,695,000

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OFFICE OF THE SOLICITOR—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$2,121,000	$2,431,000	$2,695,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	85,725		
Appropriation (adjusted)	2,206,725	2,431,000	2,695,000
Proposed supplemental due to pay increases		212,000	

1. *Departmental program activities*—(*a*) *Litigation.*—This includes direction and supervision of enforcement of Federal labor standards statutes through court action and administrative proceedings. The disposition of court cases during 1958, resulting in 98 percent being disposed of favorable to the Government, is as follows:

Criminal cases	148
Civil cases	1,015
Walsh-Healey administrative enforcement hearing cases	38
Total cases closed	1,201
Back wages collected by litigation	$1,667,457
Fines in criminal cases	$153,193

(*b*) *Interpretations and legal advisory services.*—The Office provides legal services to departmental officials. During 1958, a total of 20,138 interpretations and opinions were rendered on the laws administered by the Department. Beginning in 1959, initial interpretations and functions under the recently enacted Welfare and Pensions Plan Disclosure Act and the new safety provisions of the Longshoremen's and Harbor Workers' Compensation Act are being performed by this activity, which will result in an increased workload.

(*c*) *Wage determinations.*—Predeterminations of prevailing wages to be paid laborers and mechanics on public construction contracts are made and coordination of the administration and enforcement by Federal contracting agencies of labor-standards provisions in statutes relating to public construction is provided.

WORKLOAD

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Requests for wage determinations:				
Federal contracts	26,916	30,314	36,860	37,410
Federal highway program	1,284	2,969	3,914	3,914

(*d*) *Legislative advisory services.*—This provides analyses and reports on legislation and drafts of proposed legislation for the Department.

2. *Field legal services.*—Services rendered at the regional level include interpretations and legal advice to regional office officials and to the public on specific request; and enforcement of the Federal labor standards statutes through court and administrative proceedings.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	311	329	334
Average number of all employees	308	323	328
Number of employees at end of year	307	325	330
Average GS grade and salary	8.2 $6,198	8.2 $6,695	8.2 $6,702
01 Personal services:			
Permanent positions	$2,002,118	$2,174,120	$2,209,197
Other personal services	13,800	15,700	24,496
Total personal services	2,015,918	2,189,820	2,233,693
02 Travel	$75,519	$76,400	$77,400
03 Transportation of things	4,397	3,400	3,450
04 Communication services	39,600	57,325	59,325
05 Rents and utility services	2,635	4,000	4,000
06 Printing and reproduction	10,234	20,500	20,600
07 Other contractual services	24,455	21,495	16,912
Services performed by other agencies	63,833	56,105	61,885
08 Supplies and materials	49,169	61,017	61,267
09 Equipment	5,809	13,250	14,500
11 Grants, subsidies, and contributions	121,353	137,802	140,008
13 Refunds, awards, and indemnities	275		
15 Taxes and assessments	1,284	1,886	1,960
1959 program obligated in 1958	13,464	−13,464	
Total obligations	2,427,945	2,629,536	2,695,000

BUREAU OF LABOR STANDARDS

Current authorizations:

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)) *and the Longshoremen's and Harbor Workers' Compensation Act, as amended (72 Stat. 835)*; 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 by sections 8 (b) and (c) of the Welfare and Pension Plans Disclosure Act (72 Stat. 997)*; and not less than [$201,575] *$224,472* 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); *$2,680,000*: *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[; $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, 1959.)*

Appropriated 1959, **$1,004,000** Estimate 1960, **$2,680,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Improving State labor legislation	$168,469	$178,900	$179,834
2. Improving conditions of migratory workers	59,326	64,100	64,424
3. Reducing industrial accidents	379,262	412,300	1,070,947
4. Protecting young workers and advancing their employment opportunities	91,343	93,300	93,978
5. Promoting employment of the physically handicapped	188,632	214,700	224,472
6. Registration of labor union data	41,841	30,100	56,406
7. Registration and disclosure of welfare and pension plan data			895,000
8. Executive direction and management services	92,534	94,600	94,939
9. 1959 program obligated in 1958	6,148	−6,148	
Total obligations	1,027,555	1,081,852	2,680,000
Financing:			
1959 appropriation available in 1958	−6,148	6,148	
Unobligated balance no longer available	593		
New obligational authority	1,022,000	1,088,000	2,680,000
New obligational authority:			
Appropriation	$985,000	$1,004,000	$2,680,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	37,000		
Appropriation (adjusted)	1,022,000	1,004,000	2,680,000
Proposed supplemental due to pay increases		84,000	

1. *Improving State labor legislation.*—This is accomplished by assisting and advising States on labor law

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administration and the enactment of appropriate labor legislation and by negotiating Federal-State agreements to eliminate duplication in inspection. Assistance was provided to 47 States in 1958 in response to 864 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 is provided for the President's Committee on Migratory Labor. Services were given to 29 States and 15 State committees on migratory labor matters in 1958; and 5 new State committees were established in that year.

3. *Reducing industrial accidents.*—This involves providing engineering consultation, technical advice, educational and promotional assistance in all phases of occupational accident prevention to States, labor unions, maritime and special industries, and Federal agencies. During 1958, a total of 1,109 safety surveys were completed and 139 training courses and talks were given for 3,688 trainees. Request for 1960 includes funds for carrying out safety activities under the 1958 amendments to the Longshoremen's and Harbor Workers' Compensation Act.

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, promoting annual back-to-school campaign, and developing standards for child-labor regulations under the Fair Labor Standards Act.

5. *Promoting employment of the physically handicapped.*—A continuing program of public information and education is conducted through the President's committee to advance the employment of handicapped citizens; cooperation is maintained with all national groups interested in the 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 23,000 unions file annually.

7. *Registration and disclosure of welfare and pension plan data.*—Administrators of plans subject to sections 8 (b) and (c) of the Welfare and Pension Plan Disclosure Act must file copies of the description of the plan and each annual report thereon with the Secretary of Labor, effective January 1, 1959. It is estimated that approximately 250,000 annual filings will be made.

A supplemental appropriation in the amount of $690,000 is anticipated for 1959 under Proposed for later transmission.

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	108		110		275	
Full-time equivalent of all other positions	5		2		25	
Average number of all employees	111		109		285	
Number of employees at end of year	114		109		292	
Average GS grade and salary	9.0	$6,730	9.0	$7,443	7.9	$6,335
01 Personal services:						
Permanent positions	$718,071		$798,400		$1,705,781	
Positions other than permanent	30,915		9,900		136,950	
Other personal services	2,804		3,200		13,269	
Total personal services	751,790		811,500		1,856,000	
02 Travel	56,641		61,800		100,400	
03 Transportation of things	5,600		6,800		8,300	
04 Communication services	20,672		24,100		62,200	
05 Rents and utility services	500				24,200	
06 Printing and reproduction	89,529		86,600		186,600	
07 Other contractual services	1,560		2,100		3,100	
Services performed by other agencies	10,986		18,000		274,000	
08 Supplies and materials	32,703		20,100		43,300	
09 Equipment	6,351		5,800		14,100	
11 Grants, subsidies, and contributions	44,511		50,700		104,500	
15 Taxes and assessments	564		500		3,300	
1959 program obligated in 1958	6,148		−6,148			
Total obligations	1,027,555		1,081,852		2,680,000	

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
3. Reducing industrial accidents		$240,000	
7. Registration and disclosure of welfare and pension plan data		450,000	
Total obligations		690,000	
Financing:			
Proposed supplemental appropriation		690,000	

Under existing legislation, 1959.—This supplemental appropriation is anticipated to permit the carrying out of safety activities under the 1958 amendments to the Longshoremen's and Harbor Workers' Compensation Act and administration of the Welfare and Pension Plan Disclosure Act.

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

Current authorizations:

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] *$592,000. (50 U. S. C. App. 325; Department of Labor Appropriation Act, 1959.)*

Appropriated 1959, **$542,000** Estimate 1960, **$592,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Program of compliance and assistance to veterans	$444,417	$459,400	$462,656
2. Executive direction and management services	118,313	128,600	129,344
3. 1959 program obligated in 1958	2,462	−2,462	
Total obligations	565,192	585,538	592,000
Financing:			
1959 appropriation available in 1958	−2,462	2,462	
Unobligated balance no longer available	20		
New obligational authority	562,750	588,000	592,000
New obligational authority:			
Appropriation	$542,000	$542,000	$592,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	20,750		
Appropriation (adjusted)	562,750	542,000	592,000
Proposed supplemental due to pay increases		46,000	

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Cases:				
On hand, beginning of year	2,504	2,745	2,796	2,496
Received	6,923	9,144	9,000	9,000
Closed	6,682	9,093	9,300	9,100
On hand, end of year	2,745	2,796	2,496	2,396

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BUREAU OF VETERANS' REEMPLOYMENT RIGHTS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	65	64	64
Full-time equivalent of all other positions	6	4	4
Average number of all employees	63	68	68
Number of employees at end of year	79	68	68
Average GS grade and salary	8.3 $6,254	8.4 $6,955	8.4 $6,955
01 Personal services:			
Permanent positions	$392,667	$440,583	$440,583
Positions other than permanent	20,312	15,735	15,735
Other personal services	1,563	1,712	3,432
Total personal services	414,542	458,030	459,750
02 Travel	49,076	50,000	50,000
03 Transportation of things	1,861	2,000	2,000
04 Communication services	16,842	16,270	18,550
05 Rents and utility services	962		
06 Printing and reproduction	25,887	15,600	15,600
07 Other contractual services	11,965	5,670	5,670
08 Supplies and materials	5,267	10,300	10,300
09 Equipment	11,710	1,000	1,000
11 Grants, subsidies, and contributions	23,846	28,830	28,830
15 Taxes and assessments	772	300	300
1959 program obligated in 1958	2,462	−2,462	
Total obligations	565,192	585,538	592,000

BUREAU OF APPRENTICESHIP *AND TRAINING*

Current authorizations:

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), [$3,700,000] *$4,047,000.* (*Department of Labor Appropriation Act, 1959.*)

Appropriated 1959, **$3,700,000** Estimate 1960, **$4,047,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Training promotion and service to industry	$3,232,403	$3,465,850	$3,484,900
2. Training research and technical services	288,389	301,100	302,740
3. Executive direction and management	225,212	258,050	259,360
4. 1959 program obligated in 1958	13,959	−13,959	
Total obligations	3,759,963	4,011,041	4,047,000
Financing:			
1959 appropriation available in 1958	−13,959	13,959	
New obligational authority	3,746,004	4,025,000	4,047,000
New obligational authority:			
Appropriation	$3,600,000	$3,700,000	$4,047,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	146,004		
Appropriation (adjusted)	3,746,004	3,700,000	4,047,000
Proposed supplemental due to pay increases		325,000	

1. *Training promotion and service to industry.*—Industry and labor are encouraged and assisted to develop skills in the work force through the organization and improvement of programs of apprenticeship and allied training. About 145,000 business establishments, 12,000 union locals, and 2,400 local chapters of employer associations participate, providing employment and training for 230,000 apprentices and supplemental skill development for thousands of other workers.

2. *Training research and technical services.*—Research and development activities provide information on skill requirements, training technology, and apprenticeship labor standards. Training aids and other techniques to increase the effectiveness of apprenticeship and allied training are made available. About 8 pamphlets, 5 articles, and 5 reprints are published each year to call attention to skill needs of labor force conditions in various industries, and to provide information about superior programs. More than 1,000 written recommendations for improving training practices are made each year to management and labor.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	491	498	498
Average number of all employees	477	486	486
Number of employees at end of year	485	486	486
Average GS grade and salary	8.0 $5,969	8.3 $6,717	8.3 $6,717
01 Personal services:			
Permanent positions	$2,980,271	$3,264,200	$3,264,565
Other personal services	17,727	18,800	31,885
Total personal services	2,997,998	3,283,000	3,296,450
02 Travel	308,856	317,300	317,300
03 Transportation of things	9,715	10,000	10,000
04 Communication services	79,770	82,475	90,175
05 Rents and utility services	1,185	2,000	2,000
06 Printing and reproduction	37,543	36,750	36,750
07 Other contractual services	16,789	24,450	24,450
Services performed by other agencies	41,039	26,475	26,475
08 Supplies and materials	31,002	32,500	32,500
09 Equipment	39,717	10,000	10,000
11 Grants, subsidies, and contributions	177,970	196,500	197,350
13 Refunds, awards, and indemnities	2,090		
15 Taxes and assessments	2,330	3,550	3,550
1959 program obligated in 1958	13,959	−13,959	
Total obligations	3,759,963	4,011,041	4,047,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Cooperative program for exchange of persons in field of labor (International Cooperation Administration)	$16,192	$15,000	
2. Promotion of apprenticeship	27		
Total obligations	16,219	15,000	
Financing:			
Advances and reimbursements from—			
Other accounts	16,192	15,000	
Non-Federal sources (40 U. S. C. 481 (c))	27		
Total financing	16,219	15,000	

Object Classification

Average number of all employees	1	1	
Number of employees at end of year	0	0	
01 Personal services: Positions other than permanent	$15,211	$14,085	
07 Other contractual services	45	15	
09 Equipment	27		
11 Grants, subsidies, and contributions	936	900	
Total obligations	16,219	15,000	

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BUREAU OF EMPLOYMENT SECURITY

Current authorizations:

SALARIES AND EXPENSES

For [expense] *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; [$6,219,000] *$7,262,000*, of which [$1,145,800] *$1,252,000* 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; 72 Stat. 1087; Department of Labor Appropriation Act, 1959.*)

Appropriated 1959, [a] **$6,519,000** Estimate 1960, **$7,262,000**

[a] Includes $300,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Veterans' placement service	$1,171,024	$1,246,400	$1,252,000
2. Farm placement service	205,613	278,600	281,900
3. Collection and interpretation of labor market information	699,666	807,900	835,600
4. Assistance in maintaining public employment services	868,957	928,600	935,300
5. Unemployment insurance service	773,423	958,000	1,038,000
6. Field guidance, financing, and auditing of State operations	1,973,049	2,269,000	2,299,200
7. Executive direction and management	185,772	230,400	235,600
8. Central administrative services	325,623	377,100	384,400
Total obligations	6,203,127	7,096,000	7,262,000
Financing:			
Advances from non-Federal sources	−6,071,827		
New obligational authority	131,300	7,096,000	7,262,000
New obligational authority:			
Appropriation	$125,600	$6,519,000	$7,262,000
Transferred from "Unemployment compensation for veterans and Federal employees" (72 Stat. 241)	5,700		
Appropriation (adjusted)	131,300	6,519,000	7,262,000
Proposed supplemental due to pay increases		577,000	

NOTE.—Advances from non-Federal sources are from the Federal unemployment account in the unemployment trust fund (71 Stat. 211; 72 Stat. 241).

The Bureau of Employment Security supervises the administration of the Federal-State system of employment security consisting of 53 State agencies and about 1,800 local offices providing unemployment compensation to individuals and assisting them in securing employment. Legislation will be proposed to provide trust fund financing for this account in 1960.

1. *Veterans' placement service.*—This service helps State local employment offices in giving suitable counseling and placement services to veterans and promotes the interest of employers in employing 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 the administrative operations of the unemployment insurance and employment service programs and on the supply, demand, and utilization of labor by areas, industries, and occupations.

4. *Assistance in maintaining public employment services.*—States are assisted in (*a*) counseling and testing of youth, veterans, handicapped and older workers, and others in occupational adjustment; (*b*) recruitment and placement programs; and (*c*) interstate recruitment of workers. In 1960 emphasis will be placed on placement and employment counseling services in a growing technological economy characterized by more occupational shortages and surpluses.

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 Federal employees and ex-servicemen. In 1960 emphasis will be placed on (*a*) perfecting administration of the new ex-servicemen's benefit program which went into effect in 1959; (*b*) analyzing the results of the temporary extension of benefits under Public Law 85–441 (72 Stat. 171) in terms of effect on operations and future program development; (*c*) strengthening State systems of tax and benefit operations, through a program of comparative costing and evaluation; and (*d*) assisting States in establishment of internal audit methods to improve management and operations. A supplemental appropriation is anticipated for 1959 in connection with this work and that in activity 3 above, and is shown under Proposed for later transmission.

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 1960 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, and (*b*) strengthening State systems of tax and benefit operations.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	753	831	841
	Average number of employees	735	795	813
	Number of employees at end of year	752	831	841
	Average GS grade and salary	8.8 $6,625	8.8 $7,292	8.8 $7,281
01	Personal services:			
	Permanent positions	$5,070,075	$5,794,300	$5,917,600
	Positions other than permanent	519	4,000	4,000
	Other personal services	45,052	42,700	63,700
	Total personal services	5,115,646	5,841,000	5,985,300
02	Travel	360,424	432,500	440,100
03	Transportation of things	15,099	9,700	11,700
04	Communication services	117,601	125,000	132,500
05	Rents and utility services	154	900	900
06	Printing and reproduction	120,318	142,200	142,200
07	Other contractual services	51,862	48,200	48,400
	Services performed by other agencies	56,600	61,700	61,700
08	Supplies and materials	42,780	47,100	47,600
09	Equipment	5,778	17,000	17,000
11	Grants, subsidies, and contributions	310,091	368,900	372,800
13	Refunds, awards, and indemnities	5,005		
15	Taxes and assessments	1,769	1,800	1,800
	Total obligations	6,203,127	7,096,000	7,262,000

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 the acquisition of a building through such arrangements as may be required to provide quarters for such offices and facilities in the District of Columbia and for the District of Columbia Unem-

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BUREAU OF EMPLOYMENT SECURITY—Continued

Current authorizations—Continued

GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION—Continued

ployment Compensation Board, subject to the same conditions with respect to the use of these funds for such purposes as are applicable to the procurement of buildings for other State employment security agencies, 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), [$305,000,000] *$328,684,000*, of which [$10,000,000] *$15,000,000* 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.

[For an additional amount for "Grants to States for unemployment compensation and employment service administration", $20,600,000, of which $14,200,000 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 number 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.] *(38 U. S. C. 695b; 29 U. S. C. 49–49n; 42 U. S. C. 1361–1370; 72 Stat. 1087; Department of Labor Appropriation Act, 1959; Supplemental Appropriation Act, 1959.)*

Appropriated 1959, **$325,600,000** Estimate 1960, **$328,684,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Unemployment compensation	$173,507,991	$178,239,000	$185,537,000
2. Employment service	84,872,515	87,144,000	90,174,000
3. State administration	28,085,892	28,595,000	30,251,000
4. Unemployment compensation for veterans and Federal employees	$6,347,281	$7,422,000	$7,722,000
5. Contingency fund		24,200,000	15,000,000
6. Obligations incurred for programs of other years, net	3,971,400		
Total obligations	296,785,079	325,600,000	328,684,000
Financing:			
Appropriation available from subsequent year	−24,174,400	−24,174,400	−24,174,400
Appropriation available in prior year	20,203,000	24,174,400	24,174,400
Unobligated balance no longer available	321		
Appropriation (new obligational authority)	292,814,000	325,600,000	328,684,000

Grants are made to the States for administration of the unemployment compensation and employment service programs. Legislation will be proposed to provide trust fund financing for this account in 1960.

While State staff is expected to decline somewhat in 1960 an increase of $3,084,000 is requested primarily for increased tax and auditing workloads and increases in the average annual salary. The average annual salary was $4,293 in October of 1958 and is expected to rise to $4,425 in 1960.

1. *Unemployment compensation.*—State funds are used to make unemployment compensation payments to unemployed workers eligible under State laws. Federal grants in 1958 provided State administrative costs of collecting $1.5 billion in taxes, paying $2.9 billion in benefits, and deciding appeals. Claim filing is expected to decrease in 1960 as unemployment decreases.

UNEMPLOYMENT COMPENSATION WORKLOADS

Basic workload	*1958 actual*	*Percent change from 1957*	*1959 estimate*	*1960 estimate*
Employer tax returns processed	8,598,000	+3	8,606,000	8,900,000
Employee wage items recorded	122,450,000	−2	123,025,000	126,000,000
Initial claims taken	18,474,000	+53	18,471,000	18,200,000
Continued claims taken	104,134,000	+67	104,073,000	101,700,000
Claims processed	10,364,000	+50	10,365,000	10,000,000
Benefit payments made	92,081,000	+70	92,075,000	88,500,000
Appeals	265,000	+20	276,000	290,000

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 analyses of jobs and staffing problems and by testing and counseling services. In 1960 a decrease of 6% is expected in applications for jobs as a result of decreasing unemployment.

EMPLOYMENT SERVICE WORKLOADS

Basic workload	*1958 actual*	*Percent change from 1957*	*1959 estimate*	*1960 estimate*
Applications for work taken	10,413,000	+22	10,100,000	9,500,000
Counseling interviews	1,543,000	+2	1,800,000	1,800,000
Individuals tested	1,350,000	−7	1,502,000	1,502,000
Placements, nonagricultural	5,407,000	−12	5,493,000	5,493,000

3. *State administration.*—State headquarters 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. *Unemployment compensation for veterans and Federal employees.*—Claims filed under these Federal unemployment compensation programs require processing activities similar to those listed under activity 1. The slight increase in these processing costs in 1960 results from the operation for a full year of the new ex-servicemen's unem-

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ployment compensation program. The benefit payments are provided under the appropriation, Unemployment compensation for veterans and Federal employees.

5. *Contingency fund.*—This fund is used to meet unforeseen increases in the number of claims filed, in State salary rates due to changes in State compensation plans embracing employees of the State generally and changes in State unemployment compensation laws.

6. *Obligations incurred for programs of other years, net.*—Because of State legal requirements, funds for July operations must be made available to the States before the year begins. In 1958, obligations were increased by $3,971,400 because $20,203,000 had been advanced to 1957 from 1958 while $24,174,400 was advanced from 1959 to 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	134	159	159
Average number of all employees	125	153	153
Number of employees at end of year	129	159	159
Average GS grade and salary	6.6 $5,020	6.8 $5,630	6.8 $5,630
01 Personal services:			
Permanent positions	$655,605	$864,000	$864,000
Other personal services	3,745	4,800	8,100
Total personal services	659,350	868,800	872,100
02 Travel	1,337	2,000	2,000
04 Communication services	17,018	19,000	19,000
05 Rents and utility services	123,515	145,000	145,000
06 Printing and reproduction	34,296	5,000	5,000
07 Other contractual services	43,099	8,000	8,000
08 Supplies and materials	8,977	9,000	9,000
09 Equipment	7,046	7,000	7,000
11 Grants, subsidies, and contributions	295,890,303	324,536,000	327,616,700
15 Taxes and assessments	138	200	200
Total obligations	296,785,079	325,600,000	328,684,000

Unemployment Compensation for Veterans and Federal Employees

For payments to unemployed *veterans and* Federal employees, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, [$27,800,000] *and title IV of the Veterans' Readjustment Assistance Act of 1952, $135,000,000.*

Unemployment compensation for *veterans and* 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, *and title IV of the Veterans' Readjustment Assistance Act of 1952,* such amounts as may be required for payment to unemployed *veterans and* 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.

[For payments to unemployed veterans as authorized by title IV of the Veterans' Readjustment Assistance Act of 1952, $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.]

[Appropriations for the current fiscal year for "Unemployment compensation for veterans", and for "Unemployment compensation for Federal employees", are hereby merged into a single account to be known as "Unemployment compensation for veterans and Federal employees".] *(38 U. S. C. 991–999; 42 U. S. C. 1361–1370; 72 Stat. 1087; Department of Labor Appropriation Act, 1959; Independent Offices Appropriation Act, 1959.)*

Appropriated 1959, [a] **$120,800,000** Estimate 1960, **$135,000,000**

[a] Includes $74,000,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payments to Federal employees	$53,954,571	$63,000,000	$57,000,000
2. Payments to ex-servicemen		13,800,000	70,000,000
3. Payments to Korean veterans	76,351,184	44,000,000	8,000,000
4. Obligations incurred for programs of other years, net	4,776,932		
Total obligations	135,082,687	120,800,000	135,000,000
Financing:			
Appropriation available from subsequent year	−9,246,932	−9,246,932	−9,246,932
Appropriation available in prior year	4,470,000	9,246,932	9,246,932
Unobligated balance brought forward	−4,590,241		
Unobligated balance no longer available	4,233,470		
New obligational authority	129,948,984	120,800,000	135,000,000
New obligational authority:			
Appropriation	$131,200,000	$120,800,000	$135,000,000
Transferred (72 Stat. 241) to—			
"Salaries and expenses," Office of the Secretary of Labor	−59,111		
"Salaries and expenses," Office of the Solicitor	−85,725		
"Salaries and expenses," Bureau of Labor Standards	−37,000		
"Salaries and expenses," Bureau of Veterans' Reemployment Rights	−20,750		
"Salaries and expenses," Bureau of Apprenticeship and Training	−146,004		
"Salaries and expenses," Bureau of Employment Security	−5,700		
"Salaries and expenses, Mexican farm labor program," Bureau of Employment Security	−84,700		
"Salaries and expenses," Bureau of Employees Compensation	−114,334		
"Salaries and expenses," Bureau of Labor Statistics	−263,382		
"Salaries and expenses," Women's Bureau	−18,418		
"Salaries and expenses," Wage and Hour Division	−415,892		
Appropriation (adjusted)	129,948,984	120,800,000	135,000,000

Funds are allocated to the States for payment of unemployment compensation to eligible Korean veterans, ex-servicemen, and Federal employees. In 1959 benefit payments are being made at a rate higher than the $120,800,000 appropriation will support. A supplemental appropriation of $41,200,000 for 1959 is anticipated under Proposed for later transmission.

1. *Payments to Federal employees* are paid in accordance with the State unemployment compensation laws. It is expected that Federal employment will be more stable in 1960 and that these benefits will decline to $57 million. Workloads are estimated to be approximately the same as in 1958 but the average weekly payment will increase somewhat, reflecting action to increase compensation payments in some States.

WORKLOAD

	1958 actual	*1959 estimate*	*1960 estimate*
Initial claims taken	203,105	202,000	195,000
Weeks compensated	1,800,906	2,100,000	1,842,800
Weekly average insured unemployment	36,645	42,700	37,500
Average weekly benefits	$29.20	$30.00	$31.00

2. *Payments to ex-servicemen* are authorized by Public Law 85–848 (72 Stat. 1087), which redefines Federal service in the existing law to include military service. The new program, which began October 28, 1958, filled one of the important remaining gaps in unemployment compensation coverage. The estimate of $70 million for 1960 is made on the basis of a full year's operation.

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BUREAU OF EMPLOYMENT SECURITY—Continued

Current authorizations—Continued

UNEMPLOYMENT COMPENSATION FOR VETERANS AND FEDERAL EMPLOYEES—Continued

WORKLOAD

	1959 estimate	*1960 estimate*
Initial claims taken	137,800	177,000
Weeks compensated	1,811,000	2,246,000
Weekly average insured unemployment	58,300	48,000
Average weekly benefits	$30.00	$31.00

3. *Payments to Korean veterans* who served in the Armed Forces between June 27, 1950, and January 31, 1955, are eligible for unemployment compensation. This program terminates on January 31, 1960. Benefit payments are estimated to decrease $36 million in 1960.

WORKLOAD

	1958 actual	*1959 estimate*	*1960 estimate*
Initial claims taken	439,144	134,700	24,800
Weeks compensated	3,218,963	1,908,000	367,000
Weekly average insured unemployment	68,111	39,900	7,000
Average weekly benefits	$23.20	$23.00	$23.00

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$135,082,687	$120,800,000	$135,000,000

COMPLIANCE ACTIVITIES, MEXICAN FARM LABOR PROGRAM

For expenses necessary to enable the Department to determine compliance with the provisions of contracts entered into pursuant to the Act of July 12, 1951, as amended, [$480,600] *$873,000. (7 U. S. C. 1461–1468; International Executive Agreement, Aug. 11, 1951, as amended; Department of Labor Appropriation Act, 1959.)*

Appropriated 1959, **$480,600** Estimate 1960, **$873,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Contract compliance and employer services (total obligations)		$519,600	$873,000
Financing:			
New obligational authority		519,600	873,000
New obligational authority:			
Appropriation		$480,600	$873,000
Proposed supplemental due to pay increases		39,000	

Complaints of violations of contracts of Mexican farm laborers are investigated and resolved as well as housing and other facilities required by the contract.

	1959 estimate	*1960 estimate*
Complaints	3,500	6,500
Housing and facilities inspections	7,000	15,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		58	101
Full-time equivalent of all other positions		8	10
Average number of all employees		64	109
Number of employees at end of year		65	111
Average GS grade and salary		8.4 $6,165	8.2 $5,968
01 Personal services:			
Permanent positions		$351,006	$588,026
Positions other than permanent		26,300	35,000
Other personal services		1,594	5,074
Total personal services		378,900	628,100
02 Travel		83,900	146,600
03 Transportation of things		2,800	6,100
04 Communication services		17,600	29,600
05 Rents and utility services		$5,300	$10,600
06 Printing and reproduction		2,000	3,000
07 Other contractual services		3,800	6,500
08 Supplies and materials		2,200	3,100
09 Equipment		100	200
11 Grants, subsidies, and contributions		22,600	38,400
15 Taxes and assessments		400	800
Total obligations		519,600	873,000

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, [$1,550,000] *$1,336,700*, which 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 program operations except those compliance activities separately provided for herein. *(7 U. S. C. 1461–1468; International Executive Agreement, Aug. 11, 1951, as amended; Department of Labor Appropriation Act, 1959.)*

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Determining Mexican labor requirements	$55,779	$44,800	$45,100
2. Supplying Mexican labor requirements	1,316,061	1,284,100	938,900
3. Determining compliance with contract provisions	497,338		
4. Farm labor analysis	22,506	28,300	28,400
5. Management and administrative services	241,590	220,700	221,500
6. Field direction	195,452	102,100	102,800
Total obligations	2,328,726	1,680,000	1,336,700
Financing:			
Unobligated balance transferred from "Farm labor supply revolving fund":			
Authorized		−1,550,000	−1,336,700
Proposed for pay increases		−130,000	
Unobligated balance no longer available	5,974		
New obligational authority	2,334,700		
New obligational authority:			
Appropriation	$2,250,000		
Transferred from "Unemployment compensation for veterans and Federal employees" (72 Stat. 241)	84,700		
Appropriation (adjusted)	2,334,700		

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, 1961, by Public Law 85–779, approved August 27, 1958 (72 Stat. 934). A transfer from the farm labor supply revolving fund is authorized to cover all costs except compliance activities.

1. *Determining Mexican labor requirements.*—The agricultural areas needing Mexican workers and the number of workers required are determined. Requests from 375 areas will be considered for approval in 1959.

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 1958, a total of 418,976 workers were contracted. An estimated 400,000 workers will be contracted in 1960. The overall cost, including compliance activities, for supplying a Mexican agricultural worker averaged $13.74 in 1958 and is estimated to be $14.75 in 1959 due to the

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installation of the new serology program and the reduction in the number of workers contracted.

3. *Determining compliance with contract provisions.*—In 1959 a separate appropriation was established for this activity.

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 are estimated to number 6,025 in 1960 as compared with 6,525 in 1958.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	336	261	218
Full-time equivalent of all other positions	113	43	41
Average number of all employees	400	287	242
Number of employees at end of year	397	283	237
Average GS grade and salary	6.8 $4,935	6.2 $5,171	5.9 $5,066
01 Personal services:			
Permanent positions	$1,495,806	$1,224,594	$987,574
Positions other than permanent	299,599	100,200	91,500
Other personal services	55,510	47,806	50,526
Total personal services	1,850,915	1,372,600	1,129,600
02 Travel	221,075	111,900	49,200
03 Transportation of things	9,061	8,700	7,200
04 Communication services	67,616	50,200	40,300
05 Rents and utility services	13,539	7,400	2,100
06 Printing and reproduction	22,186	10,500	9,500
07 Other contractual services	22,678	19,200	16,500
08 Supplies and materials	21,638	11,600	10,700
09 Equipment	5,866	5,800	5,700
11 Grants, subsidies, and contributions	84,057	79,900	64,100
13 Refunds, awards, and indemnities	430		
15 Taxes and assessments	9,665	2,200	1,800
Total obligations	2,328,726	1,680,000	1,336,700

Temporary Unemployment Compensation

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Temporary unemployment compensation payments	$47,327,000	$394,173,000	
2. State administration	414,686	17,585,314	
3. Federal administration	29,999	370,001	
Total obligations	47,771,685	412,128,315	
Financing:			
Unobligated balance brought forward		−617,928,315	
Unobligated balance carried forward	617,928,315		
Unobligated balance no longer available		205,800,000	
Appropriation (new obligational authority)	665,700,000		

1. *Temporary unemployment compensation payments.*—Individuals who have exhausted all rights to unemployment compensation under State unemployment compensation laws, the unemployment compensation for Federal employees program, and the unemployment compensation for veterans program, receive benefits for an additional period under this temporary Federal program. Before the program expires on April 30, 1959, it is estimated that 1.8 million claims for benefits will be filed.

2. *State administration.*—The State employment security agencies administer this program as agents of the Federal Government through 1,800 local employment security offices. These agencies are reimbursed for the costs they incur by the Federal Government.

3. *Federal administration.*—The Bureau of Employment Security provides national supervision and control of the program and makes its resources available to the States for assistance in administering it.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	2	31	
Number of employees at end of year	7	0	
01 Personal services: Positions other than permanent	$15,020	$211,000	
02 Travel	4,000	40,800	
03 Transportation of things		3,300	
04 Communication services	300	15,600	
05 Rents and utility services		100	
06 Printing and reproduction	19	11,700	
07 Other contractual services	930	68,700	
08 Supplies and materials	869	5,600	
09 Equipment	8,403	5,800	
11 Grants, subsidies, and contributions	47,742,131	411,765,014	
15 Taxes and assessments	13	701	
Total obligations	47,771,685	412,128,315	

Public enterprise funds:

Farm Labor Supply Revolving Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs	$3,216,150	$3,646,224	$3,650,524
Depreciation included above (−)	−20,316	−26,224	−31,224
Total operating costs, funded	3,195,834	3,620,000	3,619,300
Capital outlay: Purchase of equipment	55,996	50,000	50,000
Total program costs, funded	3,251,830	3,670,000	3,669,300
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−362,296	−22,659	
Total program (obligations)	2,889,534	3,647,341	3,669,300
Financing:			
Amounts becoming available: Revenue	3,192,676	5,071,800	5,466,800
Unobligated balance brought forward	371,797	674,939	419,398
Total amounts available	3,564,473	5,746,739	5,886,198
Unobligated balance transferred to "Salaries and expenses, Mexican farm labor program" (72 Stat. 460):			
Authorized		−1,550,000	−1,336,700
Proposed for pay increases		−130,000	
Unobligated balance carried forward	−674,939	−419,398	−880,198
Financing applied to program	2,889,534	3,647,341	3,669,300

This fund covers transportation and other costs directly involved in importing Mexican farm workers (7 U. S. C. 1461–1468). Public Law 85–779 dated August 27, 1958, extends the authority until June 30, 1961.

Budget program.—The program involves the recruitment and importation of Mexican workers for agricultural work on farms in the continental United States. This requires the establishment and operation of reception centers to provide housing, subsistence, and medical care. An estimated 400,000 Mexican farm workers will be imported in 1959 and 400,000 in 1960.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Unpaid undelivered orders	$25,000	$146,821	$125,000	$125,000
Deferred charges		30,838	30,000	30,000
Supplies, etc.	103,463			
Advances	105,300			
Total selected resources at end of year	233,763	177,659	155,000	155,000
Selected resources at start of year (−)		−233,763	−177,659	−155,000
Adjustment due to conversion to accrual basis		−306,192		
Costs financed from obligations of other years, net (−)		−362,296	−22,659	

Financing.—The costs of operating this program are met by fees charged the employer for each worker con-

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BUREAU OF EMPLOYMENT SECURITY—Continued

Public enterprise funds—Continued

FARM LABOR SUPPLY REVOLVING FUND—Continued

tracted. On August 1, 1958, the fee for initially contracting a worker was established at $15 per worker, increased from $10. The fee for recontracting a worker was set at $7.50, an increase of $2.50. During 1959 and 1960, it is estimated that the rates of $15 and $7.50 will provide not only for the increased cost of importing workers but also the cost of the serological testing to be administered by the Public Health Service starting in 1959. Further, these rates will absorb some direct costs previously financed from the Mexican farm labor appropriation.

Operating results and financial condition.—Revenue from operations is estimated to exceed expenses in both 1959 and 1960. After allowing for transfers of $1,680,000 in 1959 and $1,336,700 in 1960 to the Salaries and expenses, Mexican farm labor program, appropriation to meet direct costs previously financed thereunder, retained earnings as of June 30, 1960, are estimated to be $1,077,750. The loss of $23,474 in 1958 reflects adjustments in converting from an obligational basis to an accrual basis. Earnings are retained to meet future requirements.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$55,996	$50,000	$50,000
Expense	3,195,834	3,620,000	3,619,300
Total gross expenditures	3,251,830	3,670,000	3,669,300
Receipts from operations (funds provided):			
Revenue	3,192,676	5,071,800	5,466,800
Decrease in selected working capital	545,422	659,219	
Total receipts from operations	3,738,098	5,731,019	5,466,800
Budget expenditures	−486,268	−2,061,019	−1,797,500

Revenue, Expense, and Retained Earnings

Revenue	$3,192,676	$5,071,800	$5,466,800
Expense	3,216,150	3,646,224	3,650,524
Net operating income or loss (−) for the year	−23,474	1,425,576	1,816,276
Analysis of retained earnings:			
Retained earnings, beginning of year	876,072	852,598	598,174
Transferred to "Salaries and expenses, Mexican farm labor program":			
Authorized		−1,550,000	−1,336,700
Proposed for pay increases		−130,000	
Retained earnings, end of year	852,598	598,174	1,077,750

Financial Condition

Assets:			
Cash with Treasury	$1,397,479	$1,778,498	$2,239,298
Accounts receivable	146	500	500
Land, structures, and equipment, net	216,260	240,036	258,812
Deferred charges	30,838	30,000	30,000
Total assets	1,644,723	2,049,034	2,528,610
Liabilities:			
Current	575,865	1,234,600	1,234,600
Government investment:			
Non-interest-bearing capital:			
Start of year		216,260	216,260
Capitalization of assets during year	216,260		
End of year	216,260	216,260	216,260
Retained earnings	852,598	598,174	1,077,750
Total Government investment	1,068,858	814,434	1,294,010

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$911,211	$1,397,479	$1,778,498	$2,239,298
Obligated balance, net:				
Current liabilities	514,955	575,865	1,234,600	1,234,600
Unpaid undelivered orders	25,000	146,821	125,000	125,000
Accounts receivable (−)	−541	−146	−500	−500
Total obligated balance	539,414	722,540	1,359,100	1,359,100
Unobligated balance	371,797	674,939	419,398	880,198

Object Classification

		1958 actual	1959 estimate	1960 estimate
	BUREAU OF EMPLOYMENT SECURITY			
02	Travel	$1,666,677	$1,715,771	$1,715,071
03	Transportation of things	9,398	11,000	11,000
05	Rents and utility services	154,016	170,000	170,000
06	Printing and reproduction	30,869	30,900	30,900
07	Other contractual services	167,008	222,640	222,640
	Meals	753,890	764,189	764,189
08	Supplies and materials	29,174	27,000	27,000
09	Equipment (expense and capitalized)	93,878	77,000	77,000
	Total, Bureau of Employment Security	2,904,910	3,018,500	3,017,800
	ALLOCATION TO DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE			
	Total number of permanent positions	47	81	81
	Full-time equivalent of all other positions	9	16	16
	Average number of all employees	47	91	91
	Number of employees at end of year	41	107	107
	Average GS grade and salary	4.5 $3,814	4.3 $4,134	4.3 $4,134
01	Personal services	$243,050	$465,000	$465,000
02	Travel	15,007	19,300	19,300
03	Transportation of things	4,208	11,000	11,000
04	Communication services	3,323	3,000	3,000
05	Rents and utility services	647	1,000	1,000
06	Printing and reproduction	233	100	100
07	Other contractual services	10,939	9,400	9,400
08	Supplies and materials	36,537	85,500	85,500
09	Equipment (expense and capitalized)	23,934	44,400	44,400
11	Grants, subsidies, and contributions	6,716	9,400	9,400
15	Taxes and assessments	2,326	3,400	3,400
	Total, Public Health Service	346,920	651,500	651,500
	Total costs	3,251,830	3,670,000	3,669,300
	Costs financed from obligations of other years, net (−)	−362,296	−22,659	
	Total obligations	2,889,534	3,647,341	3,669,300

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. State administration	$7,770	$7,000	$7,000
2. Miscellaneous services to other agencies	108,043	107,000	
Total obligations	115,813	114,000	7,000
Financing:			
Advances and reimbursements from other accounts	115,813	114,000	7,000

Object Classification

Total number of permanent positions	14	14	
Full-time equivalent of all other positions	3	3	1
Average number of all employees	17	17	1
Number of employees at end of year	16	16	0
Average GS grade and salary	9.0 $5,999	8.3 $5,934	

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Permanent positions	$82,158	$81,500	
Positions other than permanent	22,692	24,500	$7,000
Total personal services	104,850	106,000	7,000
02 Travel	1,466	2,400	
07 Other contractual services	3,797	300	
11 Grants, subsidies, and contributions	5,466	5,300	
15 Taxes and assessments	234		
Total obligations	115,813	114,000	7,000

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
3. Collection and interpretation of labor market information		$7,700	
5. Unemployment insurance service		45,800	
Total obligations		53,500	
Financing:			
Proposed supplemental appropriation		53,500	

Under existing legislation, 1959.—A supplemental appropriation for 1959 is anticipated to provide for Federal administration of the Ex-Servicemen's Unemployment Compensation Act of 1958 (72 Stat. 1087).

UNEMPLOYMENT COMPENSATION FOR VETERANS AND FEDERAL EMPLOYEES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Unemployment compensation for ex-servicemen (total obligations)		$41,200,000	
Financing:			
Proposed supplemental appropriation		41,200,000	

Under existing legislation, 1959.—A proposed supplemental appropriation is anticipated for 1959 to provide benefit payments under the Ex-Servicemen's Unemployment Act of 1958 (77 Stat. 1087).

BUREAU OF EMPLOYEES' COMPENSATION

Current authorizations:

SALARIES AND EXPENSES

For necessary administrative expenses and not to exceed [$99,000] *$102,000* for the Employees' Compensation Appeals Board, [$2,810,600] *$3,080,000*, together with not to exceed [$47,400] *$51,700* 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, 1959.)*

Appropriated 1959, **$2,810,600** Estimate 1960, **$3,080,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Disposition of compensation claims:			
(a) Federal employees	$1,925,475	$1,969,743	$1,981,325
(b) Longshoremen and harbor workers	701,657	780,287	784,791
(c) Executive direction and management services	145,134	160,079	161,059
(d) Administration of War Claims Act	67,106	50,491	50,825
2. Appeals from determination of Federal employee claims	112,892	107,000	102,000
3. Administration of longshoremen's rehabilitation program	46,271	51,500	51,700
4. 1959 program obligated in 1958	7,280	−7,280	
Total obligations	3,005,815	3,111,820	3,131,700
Financing:			
1959 appropriation available in 1958	−7,280	7,280	
Advances and reimbursements from non-Federal sources (50 U. S. C. App. 2012; 33 U. S. C. 906)	−46,271	−51,500	−51,700
Unobligated balance no longer available	70		
New obligational authority	2,952,334	3,067,600	3,080,000
New obligational authority:			
Appropriation	$2,838,000	$2,810,600	$3,080,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	114,334		
Appropriation (adjusted)	2,952,334	2,810,600	3,080,000
Proposed supplemental due to pay increases		257,000	

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.

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 employees.*—Federal employment is estimated at 2,340,000 for 1960; on June 30, 1958, cases from prior years requiring further action numbered 43,433; the backlog in investigations was 234 cases.

WORKLOAD

	1958 actual	*1959 estimate*	*1960 estimate*
New injuries reported	97,790	98,000	98,000
Reopened cases	16,468	16,500	16,500
Total	114,258	114,500	114,500
Investigations made	1,837	1,800	1,800
Open cases, end of year:			
Receiving payment	19,470	19,500	19,500
Needing further development	23,963	22,500	20,500

(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

	1958 actual	*1959 estimate*	*1960 estimate*
New injuries reported	77,512	83,000	86,000
Formal hearings	326	350	350
Informal conferences	38,788	40,000	42,000

(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. In 1957, funds for the payment of all

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BUREAU OF EMPLOYEES' COMPENSATION—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

future benefits were transferred from the war claims fund to the general fund of the Treasury.

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

	1958 actual	*1959 estimate*	*1960 estimate*
Pending cases, start of year	152	140	140
Appeals docketed	287	300	300
Appeals closed	299	300	300
Pending cases, end of year	140	140	140
Hearings held	131	130	130
Opinions issued	233	230	230

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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	462	466	465
Average number of all employees	441	454	454
Number of employees at end of year	463	460	460
Average GS grade and salary	6.2 $4,864	6.2 $5,404	6.2 $5,403
Personal service obligations:			
Permanent positions	$2,251,093	$2,452,279	$2,451,681
Other personal services	150,251	142,494	152,234
Total personal service obligations	2,401,344	2,594,773	2,603,915
Direct obligations:			
01 Personal services	2,365,341	2,554,643	2,563,630
02 Travel	97,621	99,000	99,000
03 Transportation of things	17,139	6,000	6,000
04 Communication services	78,769	70,395	77,750
05 Rents and utility services	7,774	17,700	17,700
06 Printing and reproduction	66,355	51,300	46,800
07 Other contractual services	62,104	47,285	47,285
Services performed by other agencies	29,638	14,600	14,600
08 Supplies and materials	36,092	30,450	30,450
09 Equipment	51,957	18,600	18,600
11 Grants, subsidies, and contributions	135,994	155,897	156,455
13 Refunds, awards, and indemnities	1,465		
15 Taxes and assessments	2,015	1,730	1,730
1959 program obligated in 1958	7,280	−7,280	
Total direct obligations	2,959,544	3,060,320	3,080,000
Reimbursable obligations:			
01 Personal services	36,003	40,130	40,285
02 Travel	5,503	7,000	7,000
04 Communication services	350	350	395
07 Other contractual services	150	166	166
Services performed by other agencies	450	450	450
08 Supplies and materials	307	400	400
09 Equipment	1,249	400	400
11 Grants, subsidies, and contributions	2,259	2,604	2,604
Total reimbursable obligations	46,271	51,500	51,700
Total obligations	3,005,815	3,111,820	3,131,700

EMPLOYEES' COMPENSATION [FUND] *CLAIMS AND EXPENSES*

(Indefinite)

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, 1959.)*

Appropriated (est.) 1959, **$71,900,000** Estimate 1960, **$62,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Benefits for Federal civilian employees	$39,456,923	$41,985,000	$43,185,000
2. Benefits for reservists of the Armed Forces	18,041,957	27,900,000	17,000,000
3. Benefits for members of Civil Air Patrol	57,901	68,000	78,000
4. Benefits for members of Reserve Officers Training Corps	16	2,000	4,000
5. Benefits for employees on Federal relief work projects	618,830	600,000	590,000
6. War connected benefits for employees of government contractors	125,814	125,000	125,000
7. Civilian war benefits	21,179	20,000	18,000
8. Benefits under War Claims Act	1,267,015	1,200,000	1,000,000
Total obligations	59,589,635	71,900,000	62,000,000
Financing:			
Appropriation (new obligational authority)	59,589,635	71,900,000	62,000,000

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, to 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.

Benefits are also paid to employees of Government contractors and to American civilians who were captured by the Japanese. Funds for payment of all future benefits under this program were transferred from the war claims fund to the general fund of the Treasury in 1957.

WORKLOAD

	1958 actual	*1959 estimate*	*1960 estimate*
Long-term cases compensated	19,470	19,500	19,500
New injuries reported	97,790	98,000	98,000
Number of payments	407,324	413,500	408,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$59,589,635	$71,900,000	$62,000,000

BUREAU OF LABOR STATISTICS

Current authorizations:

SALARIES AND EXPENSES

For expenses, *not otherwise provided for,* 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, [$7,424,500] *$9,465,000. (29 U. S. C. 2, 7, 181; Department of Labor Appropriation Act, 1959.)*

Appropriated 1959, **$7,424,500** Estimated 1960, **$9,465,000**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Collection, analysis, and publication of labor and economic statistics:			
(*a*) Manpower and employment	$2,473,958	$2,631,306	$3,989,346
(*b*) Prices and cost of living	1,432,649	1,566,040	1,795,419
(*c*) Wages and industrial relations	1,080,103	1,181,346	1,201,793
(*d*) Housing and public construction	409,794	415,103	
(*e*) Measurement of productivity	234,987	291,162	462,608
(*f*) Industrial hazards	238,698	248,714	289,784
(*g*) Foreign labor conditions	104,539	109,117	109,627
2. Central administrative services	907,960	929,347	931,541
3. Executive direction and program coordination	580,694	647,365	684,882
4. 1959 program obligated in 1958	19,952	−19,952	
Total obligations	7,483,334	7,999,548	9,465,000
Financing:			
1959 appropriation available in 1958	−19,952	19,952	
New obligational authority	7,463,382	8,019,500	9,465,000
New obligational authority:			
Appropriation	$7,200,000	$7,424,500	$9,465,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	263,382		
Appropriation (adjusted)	7,463,382	7,424,500	9,465,000
Proposed supplemental due to pay increases		595,000	

1. *Collection, analysis, and publication of labor and economic statistics*—(*a*) *Manpower and employment.*—The level and trend of nonagricultural employment, hours, earnings, and labor turnover are analyzed. Publications include the Occupational Outlook Handbook, estimates of manpower requirements and supply, and reviews of long-range employment and labor force trends. Over $1 million of the 1960 total for this activity will be used for the Monthly Report on the Labor Force presently published by the Department of Commerce. Also in 1960 the establishment of a new governmentwide Standard Industrial Classification requires retabulation of data on employment, hours, earnings, and turnover from about 180,000 establishments for the calendar years 1958, 1959, and the first half of 1960.

(*b*) *Prices and cost of living.*—The Consumer Price Index is published, covering the urban wage earner and salaried clerical workers families of the United States, for the Nation (based on 46 cities) and for 20 selected large cities. Trends of primary market prices are published for 2,000 industrial and agricultural products. The Consumer Price Index is incorporated in many labor-management contracts for wage determining purposes, and indexes of primary market prices are used in escalating costs for commercial contracts. In 1960 emphasis will be placed on improvements in pricing at the consumer level. Attention will continue to be given to providing price information necessary for improving the national economic accounts.

(*c*) *Wages and industrial relations.*—Information is provided on wages by occupation for 18 to 20 major industrial centers, and for about 8 selected major industries; monthly developments in industrial relations and wages for key collective bargaining situations; and provisions of labor-management contracts and work stoppages.

(*d*) *Housing and public construction.*—These statistics provide current information on the volume of new housing. This function will be performed by the Bureau of the Census in 1960.

(*e*) *Measurement of productivity.*—Annual indexes of output per man-hour are prepared, together with an analysis of productivity trends, and studies of automation and other technological developments. Recently emphasis is on the study of adjustments to automation worked out between workers and management at the plant level. In 1960 increased emphasis will be given to providing indexes in greater industrial detail.

(*f*) *Industrial hazards.*—Quarterly and annual data are published on industrial injuries, together with 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, including data on employment, wages, labor law, living costs, and current labor developments generally. Current emphasis is on more adequate wage statistics.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	953	958	1,024
	Full-time equivalent of all other positions	44	44	40
	Average number of all employees	967	981	1,040
	Number of employees at end of year	1,108	1,070	1,206
	Average GS grade and salary	7.0 $5,472	7.1 $6,054	7.1 $5,952
01	Personal services:			
	Permanent positions	$5,210,049	$5,669,494	$5,943,966
	Positions other than permanent	155,598	166,261	153,958
	Other personal services	67,222	54,966	78,506
	Total personal services	5,432,869	5,890,721	6,176,430
02	Travel	281,168	277,900	326,963
03	Transportation of things	8,951	9,000	8,561
04	Communication services	219,491	244,200	285,745
05	Rents and utility services	115,555	149,700	182,903
06	Printing and reproduction	313,994	315,600	308,868
07	Other contractual services	570,823	631,300	668,294
	Services performed by other agencies	85,278	44,200	1,024,007
08	Supplies and materials	56,024	73,300	79,658
09	Equipment	46,723	25,000	25,000
11	Grants, subsidies, and contributions	323,474	351,629	371,826
13	Refunds, awards, and indemnities	4,345	2,000	2,000
15	Taxes and assessments	4,687	4,950	4,745
	1959 program obligated in 1958	19,952	−19,952	
	Total obligations	7,483,334	7,999,548	9,465,000

Revision of the Consumer Price Index

For expenses necessary to enable the Bureau of Labor Statistics to revise the Consumer Price Index, including temporary employees at rates to be fixed by the Secretary of Labor without regard to the civil service laws and Classification Act of 1949, as amended, $230,000, to remain available until June 30, 1964.

Estimated 1960, **$230,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activity:			
Preliminary planning and analysis (total obligations)			$230,000
Financing:			
Appropriation (new obligational authority)			230,000

The Consumer Price Index measures average changes in the retail prices of selected goods, rents, and services, weighted by quantities bought by families of wage earners and moderate income workers. A revision of the index will be made based on current patterns of consumer expenditures in order to modernize the index to meet the demands for its use in present day domestic, economic, and industrial planning. The revision will be made over a 5-year period and the 1960 appropriation will provide planning funds.

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BUREAU OF LABOR STATISTICS—Continued

Current authorizations—Continued

REVISION OF THE CONSUMER PRICE INDEX—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees			39
Number of employees at end of year			35
01 Personal services: Positions other than permanent			$196,970
02 Travel			5,355
04 Communication services			1,715
06 Printing and reproduction			4,000
07 Other contractual services			559
08 Supplies and materials			2,573
09 Equipment			10,000
11 Grants subsidies, and contributions			5,912
15 Taxes and assessments			2,916
Total obligations			230,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Special economic and statistical studies:			
Atomic Energy Commission	$4,829	$4,000	
Department of Agriculture	30,180	22,000	
Department of Interior		25,000	
Department of Labor: Wage and Hour Division	275,000	222,200	
Department of the Navy	21,300	5,900	
Housing and Home Finance Agency	10,500	11,200	
Maritime activities, Department of Commerce	100,000		
National Science Foundation	85,000	65,000	
Veterans Administration	10,000		
2. Mechanical tabulating services:			
Department of Labor:			
Bureau of Apprenticeship and Training	12,500	10,000	
Bureau of Employees' Compensation	8,600		
Wage and Hour Division	11,600	23,250	
Department of Agriculture	4,500	5,000	
3. Miscellaneous services	83,379	120,000	
Total obligations	657,388	513,550	
Financing:			
Unobligated balance brought forward	379		
Advances and reimbursements from—			
Other accounts	630,439	483,550	
Non-Federal sources	26,570	30,000	
Total financing	657,388	513,550	

NOTE.—Includes reimbursements for furnishing statistical data to States, municipalities, labor organizations, private industry, and individuals as authorized in 29 U. S. C. 9.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	110	83	
Number of employees at end of year	90	79	
01 Personal services:			
Positions other than permanent	$505,842	$390,483	
Other personal services	5,949	3,167	
Total personal services	511,791	393,650	
02 Travel	45,460	32,556	
03 Transportation of things	130		
04 Communication services	4,940	3,442	
05 Rents and utility services	40,783	39,883	
06 Printing and reproduction	10,028	9,643	
07 Other contractual services	2,961	5,625	
08 Supplies and materials	7,442	5,163	
09 Equipment	5,390		
11 Grants, subsidies, and contributions	27,680	23,212	
15 Taxes and assessments	783	376	
Total obligations	657,388	513,550	

WOMEN'S BUREAU

Current authorizations:

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] *$509,000*. (*Department of Labor Appropriation Act, 1959.*)

Appropriated 1959, **$462,000** Estimate 1960, **$509,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Development of programs and materials to improve women's employment opportunities and economic status	$165,175	$163,949	$171,596
2. Advisory services on legislation affecting women workers	74,384	78,477	72,227
3. Executive direction and program coordination	155,637	171,189	172,201
4. Administrative services and management	82,214	92,385	92,976
5. 1959 program obligated in 1958	359	−359	
Total obligations	477,769	505,641	509,000
Financing:			
1959 appropriation available in 1958	−359	359	
Unobligated balance no longer available	3,008		
New obligational authority	480,418	506,000	509,000
New obligational authority:			
Appropriation	$462,000	$462,000	$509,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	18,418		
Appropriation (adjusted)	480,418	462,000	509,000
Proposed supplemental due to pay increases		44,000	

1. *Development of programs and materials to improve women's employment opportunities and economic status.*—In 1958 22.3 million women comprised one-third of the total labor force. In 1960, cooperating with other bureaus of the Department and outside organizations, the Bureau will emphasize employment opportunities for women in the manufacture of electronics equipment, technical occupations in biology for which women should be prepared, and changes in occupational opportunities resulting from the introduction of automated processes in jobs held by women. Studies will be made of the part-time employment of women, programs designed to increase the employment opportunities of older women, and ways 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 1960 program includes a study of campaigns for equal pay; development of a pilot community action program on day care facilities for children of working mothers; assistance to voluntary organizations on migratory labor activities; preparation of a technical report on procedures for minimum wage hearings; and a publication on international programs to advance the status of women.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	61	61	61
Full-time equivalent of all other positions	3	1	1
Average number of all employees	62	60	60

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Number of employees at end of year	63	61	61
Average GS grade and salary	8.0 $5,843	8.1 $6,637	8.1 $6,637
01 Personal services:			
Permanent positions	$362,511	$396,691	$396,691
Positions other than permanent	12,362	4,557	4,557
Other personal services	1,363	1,552	3,152
Total personal services	376,236	402,800	404,400
02 Travel	16,767	22,840	22,840
03 Transportation of things	402	500	500
04 Communication services	8,704	13,000	14,400
06 Printing and reproduction	26,021	25,200	25,200
07 Other contractual services	2,746	3,000	3,000
Services performed by other agencies	19,599	4,100	4,100
08 Supplies and materials	478	5,700	5,700
09 Equipment	4,595	2,300	2,300
11 Grants, subsidies, and contributions	21,362	25,940	25,940
15 Taxes and assessments	500	620	620
1959 program obligated in 1958	359	−359	
Total obligations	477,769	505,641	509,000

WAGE AND HOUR DIVISION

Current authorizations:

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, [$10,500,000] *$11,489,000. (29 U. S. C. 201–219, 251–262, 72 Stat. 844; Department of Labor Appropriation Act, 1959.)*

Appropriated 1959, **$10,500,000** Estimate 1960, **$11,489,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Promotion of compliance and enforcement	$8,920,069	$9,320,400	$9,514,100
2. Wage standards and determinations	663,059	746,000	631,100
3. Regulations and interpretations	131,716	153,500	154,200
4. Economic analysis and statistics	596,030	483,200	484,800
5. Executive direction and management	224,964	248,900	249,900
6. Central administrative services	473,196	465,000	454,900
7. 1959 program obligated in 1958	22,434	−22,434	
Total obligations	11,031,468	11,394,566	11,489,000
Financing:			
1959 appropriation available in 1958	−22,434	22,434	
Unobligated balance no longer available	6,858		
New obligational authority	11,015,892	11,417,000	11,489,000
New obligational authority:			
Appropriation	$10,600,000	$10,500,000	$11,489,000
Transferred from "Unemployment compensation for veterans and Federal employees," Bureau of Employment Security (72 Stat. 243)	415,892		
Appropriation (adjusted)	11,015,892	10,500,000	11,489,000
Proposed supplemental due to pay increases		917,000	

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 1958 a total of 53,796 establishments were investigated and 166,497 employees were found to be due wages in the amount of $19,655,299 of which employers have agreed to pay $10,953,896. The investigation program will continue at about the same level in 1959 and 1960 with a slight decrease in the present staff.

2. *Wage standards and determinations.*—During 1959 and 1960 five industry committees will be convened each year 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 every 2 years. Regulations governing subminimum wages for learners, apprentices, messengers, and handicapped workers are being constantly reexamined. It is estimated that 1,600 applications for subminimum wage certificates will be received in 1960, as compared to 1,800 in 1959. Wage determinations under the Walsh-Healey Act will be continued at the level of seven determinations in 1960.

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. The report of studies of effects of the $1 minimum wage, required by law to evaluate the present minimum wage and to determine the ability of employers to absorb wage increases, will be completed in 1959. Further studies will be conducted in 1959 and 1960 to provide current data for reports to the Congress.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,439	1,358	1,344
Full-time equivalent of all other positions	8	8	5
Average number of all employees	1,404	1,329	1,312
Number of employees at end of year	1,420	1,312	1,312
Average GS grade and salary	8.4 $5,744	9.1 $6,713	9.2 $6,835
01 Personal services:			
Permanent positions	$8,407,041	$8,875,300	$8,943,400
Positions other than permanent	67,319	76,500	50,200
Other personal services	88,440	90,100	123,500
Total personal services	8,562,800	9,041,900	9,117,100
02 Travel	883,093	870,000	850,000
03 Transportation of things	50,459	40,000	40,000
04 Communication services	180,209	175,000	187,000
05 Rents and utility services	21,011	22,000	22,000
06 Printing and reproduction	117,034	111,900	111,900
07 Other contractual services	173,138	167,000	167,000
Services performed by other agencies	400,159	319,700	319,700
08 Supplies and materials	71,482	68,800	68,800
09 Equipment	24,020	25,000	25,000
11 Grants, subsidies, and contributions	519,152	573,700	578,500
13 Refunds, awards, and indemnities	4,775		
15 Taxes and assessments	1,702	2,000	2,000
1959 program obligated in 1958	22,434	−22,434	
Total obligations	11,031,468	11,394,566	11,489,000

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WAGE AND HOUR DIVISION—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Promotion of compliance and enforcement (Office of the Solicitor)	$20,000	$38,200	$38,200
2. Miscellaneous services	700		
Total obligations	20,700	38,200	38,200
Financing:			
Advances and reimbursements from other accounts	20,700	38,200	38,200

Complaints of violations of labor standards under federally financed construction contracts are investigated.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3	5	5
Average number of all employees	3	5	5

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Number of employees at end of year	3	5	5
Average GS grade and salary	9.0 $5,710	9.0 $6,435	9.0 $6,435
01 Personal services:			
Permanent positions	$17,100	$32,200	$32,200
Positions other than permanent	700		
Total personal services	17,800	32,200	32,200
02 Travel	1,900	3,900	3,900
11 Grants, subsidies, and contributions	1,000	2,100	2,100
Total obligations	20,700	38,200	38,200

GENERAL PROVISIONS

SEC. 901. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 902. Apropriations contained in this Act, 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]. (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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 SECRETARY								
Salaries and expenses						4	$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.

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POST OFFICE DEPARTMENT

New obligational authority of $172 million is recommended for the Post Office Department for 1960. The decrease of $386 million from 1959 reflects predominantly additional postal revenue of $350 million anticipated under legislation to be proposed to increase postal rates.

Net budget expenditures of $752 million in 1959 will fall even more sharply to an estimated $109 million in 1960. This drop reflects not only the increases to be proposed in postal rates but also the inclusion of payments in 1959 for retroactive employee pay and railroad transportation.

The cost of the postal service is financed primarily from postal revenue. The deficit remaining is made up by an appropriation from the general fund of the Treasury. Under present legislation about 87% of the funds necessary for the operating and capital obligations of the Department in 1960 will come from users of the postal service; about 4% is requested to be appropriated by the Congress specifically to the Department to pay the loss on various public service activities performed by the Department; and the remaining 9% represents the deficiency in postal rates under existing rate legislation.

Mail volume.—The continuing expansion in economic activity is the primary reason for the increase of 4.3% anticipated in mail volume between 1959 and 1960. The 1960 forecast of 64.5 billion pieces includes 34.9 billion first-class letters and cards, 1.5 billion air-mail items, 7 billion magazines and newspapers, 1.2 billion parcels, 17.4 billion pieces of advertising and circular matter, and 2.5 billion pieces in all other categories of mail.

Postal obligations.—Obligations for 1960 are estimated to be $3,920 million, compared with $3,680 million for 1959. The increase of $240 million in 1960 over 1959 arises mainly from the higher postal volume and from increases in the capital and research programs. The average postal cost per million pieces of mail is estimated to be $60,815 in 1960 compared with $59,547 in 1959. This rise is due almost entirely to the expanded program of research and modernization of postal facilities and equipment. The 1960 budget specifically includes $88.5 million for this purpose.

Postal revenue.—Under present laws, net postal revenue for 1960 is estimated at $3,570 million, compared to $3,308 million for 1959. The totals include, in both cases, receipts from payments for public service, as recommended in the budget in accordance with the Postal Policy Act of 1958. The increase of $262 million arises predominantly from (*a*) the higher total mail volume anticipated; (*b*) the full year effect of the higher postal rates authorized by the Congress and certain additional increases accruing in 1960; and (*c*) the additional revenue expected from the parcel post rate increases now under consideration by the Inter-State Commerce Commission.

The 1958 act requires that postal rates and fees be adjusted from time to time to produce revenue "approximately equal to the total cost of operating the postal establishment, less the amount deemed to be attributable to the performance of public services." Pursuant to this requirement, new postal rate proposals to increase revenue by $350 million will be submitted to the Congress for action during the current session.

Postal deficit and budget expenditures.—The postal deficit is the difference between postal obligations and postal revenue. As the result of the rate increases and the provision for reimbursement for public services under the 1958 act, a postal deficit of $372 million is estimated for 1959. This will be further reduced for 1960 to $350 million under present law, and will be completely eliminated by enactment of the postal rate legislation to be proposed.

Net expenditures from the postal fund, the difference between checks issued and revenue, reflect not only the postal deficit but also the lag between obligations and expenditures, which varies from year to year. In 1959 these expenditures were increased by the large retroactive payments for pay and transportation, while in 1960 they will be reduced by a substantial amount. Budget expenditures include both the net expenditures from the postal fund and the payment for public services. The following table shows the effect of the changes in the postal deficit and in other factors on the net requirements for budget expenditures.

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Obligations subject to appropriation	$3,441	$3,680	$3,920
Net postal revenue:			
Existing legislation (including receipts for public services in 1959 and 1960)	−2,550	−3,308	−3,570
Proposed rate increases	------	------	−350
Postal deficit	891	372	-----
Adjustment in prior year obligations	21	------	------
Adjustment in working capital	−238	209	−64
Net expenditures from postal fund	674	581	−64
Payment for public services	------	171	172
Budget expenditures for the postal service	674	752	109

Deposit funds.—Money order and postal savings funds entrusted to the postal service are accounted for separately as deposit funds and are, therefore, excluded from the budgetary tables.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Commerce and housing:						
514 Postal service	$908,000	$557,894	$172,000	$673,992	$751,728	$108,600

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Estimated Volume of Mail and Special Services, and Postal Revenue

[Estimated as of Nov. 26, 1958]

Classification	1958 actual				1959 estimate				1960 estimate			
	Pieces or transactions	Revenue	Percent of increase over 1957		Pieces or transactions	Revenue	Percent of increase over 1958		Pieces or transactions	Revenue	Percent of increase over 1959	
			Units	Revenue			Units	Revenue			Units	Revenue
Domestic mail:	*Thousands*	*Thousands*			*Thousands*	*Thousands*			*Thousands*	*Thousands*		
First class	32,218,319	$1,084,130	2.08	2.09	33,229,938	$1,497,767	3.14	38.15	34,865,759	$1,591,680	4.92	6.27
Airmail	1,434,709	136,141	−3.29	−2.43	1,453,186	177,930	1.29	30.70	1,476,254	182,672	1.59	2.67
Second class	7,147,956	65,623	3.77	−1.22	7,005,993	78,217	−1.99	19.19	7,039,516	82,239	.48	5.14
Controlled circulation publications	144,535	7,359	15.17	9.27	169,738	10,161	17.44	38.08	175,000	10,500	3.10	3.34
Third class	15,849,319	285,095	.94	1.86	16,555,491	360,695	4.46	26.52	17,437,208	410,619	5.33	13.84
Fourth class	1,170,119	579,182	−1.24	−.68	1,159,971	582,857	−.87	.63	1,159,971	582,857	.....	.....
Domestic fees	.....	12,438	.....	88.00	.....	12,500	.....	.50	.....	12,600	.....	.80
Penalty and official mail	1,559,759	49,545	3.31	30.32	1,545,928	63,409	−.89	27.98	1,598,664	69,540	3.41	9.67
Franked mail	66,611	2,259	9.48	8.55	69,634	3,591	4.54	58.96	69,634	3,595	.....	.11
Free for the blind	4,101	.....	1.74	.....	4,274	.....	4.22	.....	4,300	.....	.61	.....
Total domestic mail and revenue	59,595,428	2,221,772	1.84	1.71	61,194,153	2,787,127	2.68	25.45	63,826,306	2,946,302	4.30	5.71
Add proposed rate increase, fourth class mail	.....	.....	.....	.....	.....	.....	.....	.....	.....	[1] 88,768	.....	100.00
Total domestic mail adjusted	59,595,428	2,221,772	1.84	1.71	61,194,153	2,787,127	2.68	25.45	63,826,306	3,035,070	4.30	8.90
International mail:												
Surface mail	352,618	38,276	−4.60	−5.53	403,184	45,897	14.34	19.91	419,311	50,405	4.00	9.82
Airmail	181,865	40,023	−3.82	−1.68	202,663	47,642	11.44	19.04	211,783	52,950	4.50	11.14
Mail transit revenue	.....	9,561	.....	5.02	.....	10,612	.....	10.99	.....	11,000	.....	3.66
Total international mail (originating)	534,483	87,860	−4.33	−2.73	605,847	104,151	13.35	18.54	631,094	114,355	4.17	9.80
Total volume and revenue from mail	60,129,911	2,309,632	1.78	1.54	61,800,000	2,891,278	2.78	25.18	64,457,400	3,149,425	4.30	8.93
Special services:												
Mail connected special services	377,367	140,147	−13.79	11.95	380,700	144,700	.88	3.25	384,800	146,500	1.07	1.24
Money order revenue	312,411	71,018	−7.12	11.17	314,300	71,000	.60	−.03	312,200	70,500	−.67	−.71
Postal savings revenue	6,065	10,111	−26.59	−19.31	5,000	9,500	−17.56	−6.04	3,000	9,000	−40.00	−5.26
Box rents	.....	26,635	.....	−.20	.....	27,625	.....	3.72	.....	29,000	.....	4.97
Unassignable revenue	.....	6,776	.....	3.50	.....	7,900	.....	16.59	.....	8,505	.....	7.66
Total revenue from mail and services	.....	2,564,319	.....	2.21	.....	3,152,003	.....	22.92	.....	3,412,930	.....	8.28
Deduct expenditures not subject to appropriation:												
Judgments	.....	200	.....	18.34	.....	200	.....	.....	.....	200	.....	.....
Stamped-embossed envelope purchases	.....	7,658	.....	14.47	.....	8,709	.....	13.72	.....	8,780	.....	.81
Indemnities, claims, etc	.....	6,228	.....	16.71	.....	6,162	.....	−1.06	.....	6,120	.....	−.68
Total expenditures not subject to appropriation	.....	14,086	.....	15.50	.....	15,071	.....	6.99	.....	15,100	.....	.19
Net revenue from mail and services	.....	2,550,233	.....	2.15	.....	3,136,932	.....	23.00	.....	3,397,830	.....	8.32
Receipts for public service	.....	.....	.....	.....	.....	171,259	.....	100.00	.....	172,000	.....	.43
Total net postal revenue	.....	2,550,233	.....	2.15	.....	3,308,191	.....	29.72	.....	3,569,830	.....	7.91

[1] Rate increases pending before Interstate Commerce Commission.

Reconciliation of Net Postal Revenue to Receipts From Operations

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Total net postal revenue	$2,550,233	$3,308,191	$3,569,830
Reimbursable work for others	17,885	21,081	30,098
Expenditures not subject to appropriation	14,086	15,072	15,100
Adjustment in selected working capital	238,377	.....	63,400
Proposed postal rate increases	.....	.....	350,000
Receipts from operations	2,820,581	3,344,344	4,028,428

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

[In thousands]

Account title	Functional code	NEW AUTHORIZATIONS (appropriation unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
Current authorizations:												
Payment for public services	514				$172,000					$172,000		$172,000
Public enterprise funds:												
Contribution to postal fund (current indefinite appropriation)	514	$908,000	$265,068	$251,826	350,000	$673,992	$458,902	$251,826	$710,728	286,600		286,600
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Payment for public services				171,259				171,259	171,259			
Accompanying reduction in contribution to postal fund				−171,259				−171,259	−171,259			
Railroad rate increase	514			41,000				41,000	41,000			
Under proposed legislation: Postal rate increases	514				−350,000						−$350,000	−350,000
Total new obligational authority and budget expenditures		908,000	265,068	292,826	172,000	673,992	458,902	292,826	751,728	458,600	−350,000	108,600

RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$908,000		$265,068	$522,000	$673,992		$458,902			$458,600	
Proposed for later transmission:												
Pay increase supplemental appropriations				251,826				251,826				
Other: Appropriations				41,000	−350,000			41,000			−350,000	
Total new obligational authority and budget expenditures		908,000		557,894	172,000	673,992		751,728			108,600	

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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
Postal fund	514	$3,494,573	$3,631,987	$3,965,028	$2,820,581	$3,173,085	$3,678,428	$673,992	$458,902	$286,600
Proposed for later transmission:										
Under existing legislation:										
Pay increase supplemental appropriations	514		251,826						251,826	
Railroad rate increase	514		41,000						41,000	
Payment for public services	514					171,259			−171,259	
Under proposed legislation: Postal rate increases	514						350,000			−350,000
Total, public enterprise funds		3,494,573	3,924,813	3,965,028	2,820,581	3,344,344	4,028,428	673,992	580,469	−63,400

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ANALYSIS OF UNEXPENDED BALANCES

BY ACCOUNT TITLE

[In thousands]

Account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
Current authorizations:											
Payment for public services							$172,000	$172,000			
Public enterprise funds:											
Postal fund	$17,240	$212,735	$26,622	$460,494	$22,176	$246,976	350,000	350,000	−$63,400	$14,379	[1] $302,579
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Postal rate increases							−350,000	−350,000			
Total, Post Office Department	17,240	212,735	26,622	460,494	22,176	246,976	172,000	172,000	−63,400	14,379	302,579
RECAPITULATION											
Enacted or recommended in this document:											
Revolving and management funds	$17,240	$212,735	$26,622	$460,494	$22,176	$246,976	$522,000	$522,000	−$63,400	$14,379	[1] $302,579
Proposed for later transmission:											
Appropriations							−350,000	−350,000			
Total, Post Office Department	17,240	212,735	26,622	460,494	22,176	246,976	172,000	172,000	−63,400	14,379	302,579

[1] Excludes balance no longer available (repayment to Treasury) in 1960 of $7,797 thousand.

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document: Revolving and management funds	$212,735	$460,494	$246,976
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	908,000	265,068	522,000
Proposed for later transmission:			
Pay increase supplemental appropriations		251,826	
Other: Appropriations		41,000	−350,000
Total new obligational authority proposed for later transmission		292,826	−350,000
Total new obligational authority	908,000	557,894	172,000
Other amounts available:			
Appropriation available in prior year		−15,238	
Appropriation available from subsequent year	15,238		
Total budget authorizations available	1,135,973	1,003,150	418,976
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	673,992	458,902	522,000
Out of balances of prior obligational authority			−63,400
Total expenditures from obligational authority enacted or recommended	673,992	458,902	458,600
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		251,826	
Other: Out of new obligational authority		41,000	−350,000
Total expenditures from obligational authority proposed for later transmission		292,826	−350,000
Total budget expenditures	673,992	751,728	108,600
Amounts no longer available: Unobligated balances expiring and lapsing	1,487	4,446	7,797
Balances carried forward at close of year from authorizations enacted or recommended in this document: Revolving and management funds	460,494	246,976	302,579
Obligations incurred, net	$912,369	$542,656	$172,000

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CURRENT AUTHORIZATIONS OUT OF GENERAL FUND

Current authorizations:

PAYMENT FOR PUBLIC SERVICES

For payment into the postal revenues for public services, in accordance with section 104 of the Postal Policy Act of 1958 (72 Stat. 136, 137), $172,000,000.

Estimate 1960, **$172,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Loss on free and preferred rate mail			$131,863,000
2. Loss on nonpostal services for other agencies			16,482,000
3. Loss on special services			22,655,000
4. Excess rates paid to foreign air carriers			1,000,000
Total obligations			172,000,000
Financing:			
Appropriation (new obligational authority)			172,000,000

The Postal Policy Act of 1958 (title I of Public Law 85–426, approved May 27, 1958), identifies as "public services" certain types of services traditionally rendered by the Post Office Department, and provides that the loss thereon may not hereafter be considered a charge against users of the mail. The Congress is requested to appropriate an amount to cover these losses to be paid into postal revenues out of the general fund of the Treasury. This appropriation does not augment the Department's obligating authority.

The estimates shown for 1959 in the following table are proposed for later transmission. No estimates are submitted under paragraph (a) (2) of section 104 of the law (loss on star routes and third and fourth class post offices) because there appears to be no practical way of determining gains or losses on operating elements of the postal system itself.

Activity	*1959*	*1960*	*Increase or decrease (−)*
Loss on free and preferred rate mail	$128,236,000	$131,863,000	$3,627,000
Loss on nonpostal services for other agencies	16,988,000	16,482,000	−506,000
Loss on special services	24,894,000	22,655,000	−2,239,000
Excess rates paid to foreign air carriers	1,141,000	1,000,000	−141,000
Total	171,259,000	172,000,000	741,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions			$172,000,000

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, [1959] *1960*, 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, 1959.*)

Appropriated (est.) 1959, **$516,893,915**

Estimate 1960, **$350,000,000**

POSTAL FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Postal operations subject to appropriation:			
1. Administration, regional operation, and research	$67,443,362	$69,359,000	$72,600,000
2. Operations	2,691,002,037	2,927,800,000	3,030,750,000
3. Transportation	497,648,853	475,000,000	527,320,000
4. Facilities	169,261,672	181,667,000	200,660,000
5. Postal modernization			88,500,000
6. Judgments	216,111		
7. 1959 program obligated in 1958	15,238,311	−15,238,311	
Total obligations subject to appropriation	3,440,810,346	3,638,587,689	3,919,830,000
Postal operations not subject to annual appropriation:			
1. Purchase of stamp-embossed envelopes	7,657,754	8,709,000	8,780,000
2. Indemnities, claims, etc	6,228,818	6,162,757	6,120,000
3. Judgments	199,822	200,000	200,000
Total obligations not subject to annual appropriation	14,086,394	15,071,757	15,100,000
Reimbursable work for others:			
1. Administration, regional operation, and research	7,404	7,400	7,400
2. Operations	1,373,944	1,631,515	1,951,710
3. Transportation	14,655,111	15,461,000	16,232,000
4. Facilities	1,848,604	3,981,000	11,907,000
Total reimbursable work for others	17,885,063	21,080,915	30,098,110
Total program (obligations)	3,472,781,803	3,674,740,361	3,965,028,110
Financing:			
Amounts becoming available:			
Revenue from mail and services:			
Sale of postage stamps and stamped paper	1,086,124,354	1,353,809,811	1,474,569,569
Postage paid under permit:			
Metered	1,087,185,002	1,340,506,472	1,452,908,670
Nonmetered	213,767,868	267,501,092	288,142,261
Collections from other Government agencies for mailings accepted without prepayment	57,315,825	67,000,000	73,135,000
Box rent	26,635,102	27,625,000	29,000,000
Money order fees and related revenues	71,017,906	71,000,000	70,500,000
Income from Postal Savings System	10,076,463	9,500,000	9,000,000
Miscellaneous revenue	12,196,665	15,061,467	15,674,500
Total revenue from mail and services	2,564,319,185	3,152,003,842	3,412,930,000
Payment from appropriation "Payment for public services" under 72 Stat. 136			172,000,000
Total revenue and receipts	2,564,319,185	3,152,003,842	3,584,930,000
Advances and reimbursements from—			
Federal departments and agencies	16,465,235	17,517,915	18,609,110
Non-Federal sources	1,419,828	3,563,000	11,489,000
Total advances and reimbursements	17,885,063	21,080,915	30,098,110
Total amounts becoming available	2,582,204,248	3,173,084,757	3,615,028,110
Postal deficit	890,577,555	501,655,604	350,000,000
1959 appropriation available in 1958	−15,238,311	15,238,311	
Unobligated balance brought forward:			
For return to Treasury	−10,239,806	−19,621,746	−15,176,008
Principal of air carriers' revolving fund	−7,000,000	−7,000,000	−7,000,000
Adjustment of prior year obligations and revenue, net	[1] 21,791,388		
Balance no longer available (repayments to Treasury for unused portion of prior year appropriations)	1,487,428	4,445,738	7,797,152
Unobligated balance carried forward:			
For return to Treasury	19,621,746	15,176,008	7,378,856
Principal of air carriers' revolving fund	7,000,000	7,000,000	7,000,000
Appropriation (new obligational authority)	908,000,000	516,893,915	350,000,000

[1] Includes retroactive increase in obligations for rail transportation of $26 million applicable to 1957.

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CURRENT AUTHORIZATIONS OUT OF GENERAL FUND—Continued

Public enterprise funds—Continued

POSTAL FUND—Continued

Revenues from mail and other services of the Post Office Department are placed in the postal fund, which was established as a revolving fund in 1950 (39 U. S. C. 794a). The fund is available for obligation and expenditure by the Post Office Department primarily in accordance with limitations established in appropriation accounts (often referred to as appropriations out of the postal fund). The fund may also be used without annual action by Congress for the purchase of stamp-embossed envelopes, certain indemnities and claims, and certain judgments.

In accordance with recent authorizing legislation, appropriations from the general fund of the Treasury are requested for public services, and payments from such appropriations into the fund will be accounted for as postal revenue. The postal revenue also includes, without distinction, receipts from various Federal agencies for the handling of penalty mail; in addition, certain agencies reimburse the Post Office Department for special services rendered them.

The aggregate of postal revenue has, in the past, been insufficient to cover the expenses authorized for payment from the postal fund. An indefinite appropriation is made from the general fund of the Treasury to make up the difference. Proposed legislation for rate increases, as described above, should reduce to zero the obligations chargeable to this indefinite appropriation in 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied—obligation basis):			
Operation program:			
Postal operations: Expense:			
Subject to appropriation	$3,352,863,946	$3,578,612,252	$3,746,075,000
Not subject to appropriation	14,086,394	15,071,757	15,100,000
Total postal operations	3,366,950,340	3,593,684,009	3,761,175,000
Reimbursable work for others	17,529,985	20,705,915	29,698,110
Total operations program	3,384,480,325	3,614,389,924	3,790,873,110
Capital and research programs:			
Appropriation:			
Administration, regional operation, and research	6,455,671	4,367,000	5,500,000
Facilities	81,490,729	55,608,437	79,755,000
Postal modernization			88,500,000
Expenditures out of reimbursements	355,078	375,000	400,000
Total capital and research programs	88,301,478	60,350,437	174,155,000
Adjustment to prior year obligations and revenue, net	21,791,388		
Increase in selected working capital		209,072,188	
Total funds applied	3,494,573,191	3,883,812,549	3,965,028,110
Receipts from operations (funds provided):			
Total revenue from mail and services	2,564,319,185	3,152,003,842	3,412,930,000
Payment from appropriation "Payment for public services"			172,000,000
Reimbursements for work for others:			
Federal departments and agencies	16,465,235	17,517,915	18,609,110
Non-Federal sources	1,419,828	3,563,000	11,489,000
Total gross postal income	2,582,204,248	3,173,084,757	3,615,028,110
Decrease in selected working capital	238,376,512		63,400,000
Total receipts from operations	2,820,580,760	3,173,084,757	3,678,428,110
Budget expenditures	673,992,431	710,727,792	286,600,000

Financial Condition

Assets:			
Cash with Treasury, commercial banks, on hand, and in transit	$460,493,934	$246,976,008	$302,578,856
Accounts receivable	42,512,552	43,000,000	43,000,000
Advances and deferred charges	6,359,762	6,400,000	6,400,000
Total assets	509,366,248	296,376,008	351,978,856

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Accounts payable (obligation basis)	$453,870,028	$245,500,000	$307,300,000
Deferred credits	28,874,474	28,700,000	30,300,000
Total liabilities	482,744,502	274,200,000	337,600,000
Equity of U. S. Government:			
Non-interest-bearing capital:			
Start of year	10,239,806	19,621,746	15,176,008
Advances:			
General fund appropriation (indefinite)	[1] 908,000,000	516,893,915	[2] 350,000,000
1959 appropriation available in 1958	15,238,311	−15,238,311	
Postal deficit (−)	−890,577,555	−501,655,604	−350,000,000
Adjustment of prior year obligations and revenue (net)	−21,791,388		
Repayment to Treasury (unused portion of prior year appropriation) (−)	−1,487,428	−4,445,738	−7,797,152
End of year	19,621,746	15,176,008	7,378,856
Revolving fund for air carrier advances	7,000,000	7,000,000	7,000,000
Total equity of U. S. Government [3]	26,621,746	22,176,008	14,378,856

[1] Includes $26 million applicable to 1957.
[2] Does not include appropriation for "Payment for public services" under 72 Stat. 136.
[3] Excludes $653,475,683 estimated depreciated value of physical properties, and inventories.

Status of Postal Fund Balance

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash	$212,735,482	$460,493,934	$246,976,008	$302,578,856
Obligated balance, net:				
Current liabilities (including deferred and undistributed credits)	247,461,112	482,744,502	274,200,000	337,600,000
Accounts receivable, and advances and deferred charges (−)	−51,965,436	−48,872,314	−49,400,000	−49,400,000
Total obligated balance	195,495,676	433,872,188	224,800,000	288,200,000
Unobligated balance	17,239,806	26,621,746	22,176,008	14,378,856
Distribution of unobligated balance:				
For return to the Treasury	$10,239,806	$19,621,746	$15,176,008	$7,378,856
Principal of air carriers revolving fund	7,000,000	7,000,000	7,000,000	7,000,000

Proposed for later transmission:

PAYMENT FOR PUBLIC SERVICES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Loss on free and preferred rate mail		$128,236,000	
2. Loss on nonpostal services for other agencies		16,988,000	
3. Loss on special services		24,894,000	
4. Excess rates paid to foreign air carriers		1,141,000	
Total obligations		171,259,000	
Financing:			
Proposed supplemental appropriation		171,259,000	

Under existing legislation, 1959.—A supplemental appropriation of $171,259,000 will be requested for payment as revenue to the postal fund for certain designated public services as required by Public Law 85–426, approved May 27, 1958.

POSTAL RATE INCREASE

Under proposed legislation, 1960.—Legislation will be proposed to increase revenues by approximately $350 million in 1960.

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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 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 current increases in prior year contracts thereunder*), 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, and for losses resulting from unavoidable casualty; [$62,000,000] *$72,600,000. (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; 6 U. S. C. 14; 12 U. S. C. 391; 28 U. S. C. 1346, 2671, 2672, 2673, 2677; 31 U. S. C. 22a, 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, 794–794f, 826, 847, 847a, 848b, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1010, 1021, 1031–1033, 1035–1038; Act of May 27, 1958, 72 Stat. 137, 145; Act of May 29, 1958, 72 Stat. 150; Federal Employees Salary Increase Act of 1958; Government Employees Training Act; Treasury-Post Office Appropriation Act, 1959.*)

Appropriated 1959, **$62,000,000** Estimate 1960, **$72,600,000**
Appropriated (adjusted) 1959, **$64,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive and administrative direction	$14,239,381	$15,997,000	$16,883,000
2. Field inspection service	11,923,914	13,033,000	13,592,000
3. Regional operation	34,824,396	35,962,000	36,625,000
4. Contract research, development, and engineering	6,455,671	4,367,000	5,500,000
Total obligations	67,443,362	69,359,000	72,600,000
Financing:			
Comparative transfers from (–) other accounts	–42,317,772		
Unobligated balance no longer available	176,410		
Appropriation (adjusted)	25,302,000	64,000,000	72,600,000
Proposed supplemental due to pay increases		5,359,000	
Appropriation (adjusted):			
Appropriation	$22,500,000	$62,000,000	$72,600,000
Transferred from—			
"Finance" (71 Stat. 39)	856,000		
"Facilities" (71 Stat. 39)	2,034,000		
"Transportation" (71 Stat. 39)	447,000		
"Operations" (72 Stat. 65)		2,000,000	
Transferred to "Operations" (71 Stat. 39)	–535,000		

The request under this heading is $72,600,000, an increase of $3,241,000 compared with obligations for 1959. A net decrease of 24 positions is contemplated.

1. *Executive and administrative direction.*—This activity provides for the overall direction and administration of the postal service, including all offices and bureaus at Washington headquarters, the headquarters engineering staff, the field personnel of the internal audit division, and the money-order center at Kansas City.

It also includes claims settled administratively under the Federal Tort Claims Act, the payment of compromise settlements and damage suits, and, for 1958 and 1960, the biennial fidelity bond premium of all bonded employees.

2. *Field inspection service.*—This activity covers all field investigative and inspection functions pertaining to violation of the postal laws, the prevention and detection of mail loss and mistreatment, losses of Government funds and property; the field audit of all postmasters' accounts; personnel security and suitability investigations; and special surveys and investigations.

3. *Regional operation.*—There are 15 regional offices which direct and take final action on all aspects of postal management, personnel, operations, transportation, finance, engineering, equipment, supplies, and facilities within each region, except for specific areas reserved to the bureaus at headquarters primarily involving policy and technical guidance.

4. *Contract research, development, and engineering.*—An industrial research and engineering program for the postal establishment is carried on, including: (*a*) The design, development, and testing of new types of postal equipment and materials; (*b*) the development of better work methods, production measurement standards, and manpower utilization systems; and (*c*) recommending general location, functional design, building modifications, developing layouts, and mechanization requirements of facilities. This activity covers the portion of the program performed by contracts with private firms, research institutions, and Federal agencies.

Because of the urgent need for mechanization of mail handling processes and other improvements in postal facilities it is planned that the research program will be materially expanded and accelerated during the next few years as an essential part of the postal modernization program. Initial funds for this purpose are being requested under the postal modernization appropriation.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	7,914	7,968	7,944
	Full-time equivalent of all other positions	44	40	40
	Average number of all employees	8,353	8,186	8,183
	Number of employees at end of year	7,907	7,968	7,944
	Average GS grade and salary	8.5 $6,470	8.8 $7,345	8.8 $7,448
01	Personal services:			
	Permanent positions	$50,551,314	$53,907,691	$55,057,754
	Positions other than permanent	189,121	196,000	197,000
	Other personal services	1,280,426	1,328,230	1,520,217
	Total personal services	52,020,861	55,431,921	56,774,971
02	Travel	3,023,238	3,380,749	3,473,156
03	Transportation of things	93,976	123,392	111,752
04	Communication services	122,920	120,723	126,641
05	Rents and utility services	58,605	65,000	65,000
06	Printing and reproduction	67,893	68,341	68,660
07	Other contractual services	1,736,586	1,376,583	1,744,273
08	Supplies and materials	153,125	174,097	165,136
09	Equipment	5,694,680	3,563,000	4,788,000
11	Grants, subsidies, and contributions	3,136,976	3,487,525	3,564,385
13	Refunds, awards, and indemnities	1,327,164	1,558,139	1,708,296
15	Taxes and assessments	7,338	9,530	9,730
	Total obligations	67,443,362	69,359,000	72,600,000

OPERATIONS

For expenses necessary for 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 repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

OPERATIONS—Continued

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; [$2,690,000,000] *$3,030,750,000: 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, in addition to the five per centum herein authorized to be transferred, such sums as the Postmaster General may deem necessary to handle a volume of mail as may be determined by him to be in excess of the estimated volume of mail set forth in the Post Office Department chapter of the budget for the current fiscal year as it may be adjusted by the Congress, may be transferred, with the approval of the Bureau of the Budget, from any other appropriation available to the Post Office Department for the current fiscal year, to the appropriation for "Operations": 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, 922, 944, 2091–2103, 2121–2123, 2131–2133, 2181–2185; 6 U. S. C. 14; 10 U. S. C. appendix 371a; 31 U. S. C. 22a, 82a–1, 82a–2; 32 U. S. C. appendix 76; 39 U. S. C. 1–5, 11a, 14, 33, 64, 82, 83, 133a, 136a, 151–153, 158, 159, 161, 169, 171, 191, 192, 212, 221, 244, 351–358, 360, 381, 475, 481, 489, 667, 672, 711, 712, 728a, 764, 794f, 802, 826, 848b, 951, 952, 961–965, 971–975, 981–984, 991–994, 1001–1007, 1007a, 1008–1010, 1021, 1031–1033, 1035–1038, 1051; Act of Apr. 9, 1958, 72 Stat. 84; Act of May 27, 1958, 72 Stat. 137, 145; Act of May 29, 1958, 72 Stat. 150; Federal Employees Salary Increase Act of 1958; Government Employees Training Act; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$2,690,000,000** Estimate 1960, **$3,030,750,000**
Appropriated (adjusted) 1959, **$2,682,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administration of postal installations	$332,146,957	$364,024,000	$374,569,000
2. Mail handling and window service	1,225,355,188	1,324,271,000	1,369,458,000
3. Collection and delivery service	985,319,724	1,075,663,000	1,113,890,000
4. Custodial service	74,527,301	81,875,000	85,782,000
5. Vehicle service	73,652,867	81,967,000	87,051,000
Total obligations	2,691,002,037	2,927,800,000	3,030,750,000
Financing:			
Comparative transfers to other accounts	35,408,893		
Unobligated balance no longer available	4,761,070		
Appropriation (adjusted)	2,731,172,000	2,682,000,000	3,030,750,000
Proposed supplemental due to pay increases		245,800,000	
Appropriation (adjusted):			
Appropriation	$2,456,518,000	$2,690,000,000	$3,030,750,000
Transferred (71 Stat. 39) from—			
"Administration, regional operation, and research"	535,000		
"Transportation"	202,599,000		
"Facilities"	71,520,000		
Transferred (72 Stat. 65) to—			
"Administration, regional operation, and research"		−2,000,000	
"Facilities"		−6,000,000	

This appropriation covers the operation of post offices, the motor vehicle service, the handling of mail in transit, contract stations, and contract vehicles. The amount requested is $3,030,750,000, an increase of $102,950,000 over 1959, due primarily to the estimated increase in mail volume and to the expansion of delivery services required to keep pace with the growth in population and suburban areas.

1. *Administration of postal installations.*—This activity is for the local management and supervision of post offices, their stations and branches, railway mail terminals, air mail transfer offices, and truck terminals. The employees included in this activity are postmasters, assistant postmasters, and supervisors. The postmasters and their assistants are primarily responsible for the overall direction and supervision of mails, finance, buildings, personnel, and related postal services in main post offices and stations and branches. The supervisors provide direct supervision over the processing of incoming and outgoing mail, financial and related postal services, and the supervision and operation of stations and branches of the main post office and terminals.

POST OFFICES BY CLASSES—AS OF JUNE 30

	1956 actual	*1957 actual*	*1958 actual*	*1959 estimate*	*1960 estimate*
1st class	3,626	3,681	3,750	3,900	4,060
2d class	6,609	6,612	6,647	6,669	6,698
3d class	13,095	13,134	13,120	13,120	13,115
4th class	14,185	13,585	12,791	12,209	11,615
Total post offices	37,515	37,012	36,308	35,898	35,488
Stations and branches	8,279	8,219	8,496	8,846	9,196
Total	45,794	45,231	44,804	44,744	44,684

2. *Mail handling and window service.*—This activity is for the separation and distribution of incoming, outgoing, and transit mail at post offices, stations and branches, railway terminals, air mail transfer offices, truck terminals, and railway and highway post offices. It also includes the rendering of window service to the public, the operation of contract stations, and the reimbursement to Federal Reserve banks for the processing of paid money orders and postmasters' deposits. The employees included in this activity are post office, terminal, and mobile clerks, and mail handlers.

COMPARISON OF TOTAL CLERICAL EMPLOYMENT AND WORKLOAD

	Man-years	*Mail volume (thousands)*	*Average pieces per man-year*
1956	240,685	56,441,216	234,502
1957	246,444	59,077,633	239,720
1958	252,292	60,129,911	238,335
1959 estimate	258,537	61,800,000	239,037
1960 estimate	267,079	64,457,000	241,341

3. *Collection and delivery service.*—This activity provides for collection and delivery of mail on prescribed city delivery routes including parcel post deliveries, and delivery of mail on rural routes. It also includes delivery of special delivery articles. The funds requested will provide new city delivery routes in expanding suburban areas and a continuation of the service improvement program to rural patrons initiated in 1959. Beginning early in 1959 the extension of rural delivery service was changed from a 3- to a 2-family-per-mile basis.

CITY DELIVERY CARRIERS

	Man-years	*Number of possible stops*	*Possible stops per carrier man-year*
1957	144,755	30,371,900	209.8
1958	150,543	32,173,387	213.7
1959 estimate	155,906	34,264,657	219.8
1960 estimate	161,981	36,491,860	225.3

SPECIAL DELIVERY MESSENGERS

	Man-years	*Number of special delivery articles*	*Pieces per man-year*
1957	5,560	110,864,507	19,940
1958	5,334	96,483,740	18,088
1959 estimate	5,244	94,853,000	18,088
1960 estimate	5,353	97,307,000	18,178

RURAL CARRIERS

	Man-years	*Number of routes, June 30*	*Average length of routes (miles)*
1957	35,971	31,669	50.09
1958	35,799	31,465	51.36
1959 estimate	35,705	31,565	56.01
1960 estimate	35,763	31,445	57.58

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4. *Custodial service.*—This activity is for operation, maintenance, cleaning, and minor repair of Federal buildings under jurisdiction of the Post Office Department and leased postal space. It also includes operation of mail handling elevators and repair and maintenance of Government-owned mail handling equipment and office furniture and equipment.

5. *Vehicle service.*—This activity provides for the supervision, operation, and maintenance of Government-owned vehicles used for collection and delivery of mail locally and for transporting mail between main offices and branches, stations, depots, and air fields and between cities. It also provides for purchase of parts, gasoline, motor oil, and contract labor necessary for the operation and maintenance of Government-owned vehicles, and for the cost of contract vehicles, used in lieu of Government-owned vehicles, when economically advantageous to the Government.

VEHICLE SERVICE HOURS

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Carrier mechanization program	845,798	2,527,420	4,740,600	10,441,500
Regular vehicle service	68,005,872	72,995,056	78,507,000	82,923,000
Borrowed vehicles (Christmas)	971,669	1,039,715	1,300,000	1,500,000
Contract vehicles	7,586,555	7,713,941	7,800,000	7,567,000
Total vehicle hours of use	77,409,894	84,276,132	92,347,600	102,431,500

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	383,318	392,890	403,103
	Full-time equivalent of all other positions	147,910	151,627	156,808
	Average number of all employees	532,360	545,433	562,293
	Number of employees at end of year	529,135	542,305	556,861
	Average PFS level and salary	4.5 $4,970	4.5 $4,985	4.5 $4,996
	Average salary of ungraded positions	$4,272	$4,403	$4,468
01	Personal services:			
	Permanent positions	$1,744,443,982	$1,893,931,168	$1,949,436,546
	Positions other than permanent	587,784,524	637,952,487	661,786,311
	Other personal services	116,912,263	121,476,261	133,220,366
	Total personal services	2,449,140,769	2,653,359,916	2,744,443,223
02	Travel	14,779,013	14,851,306	15,011,788
03	Transportation of things	51,860,593	62,708,223	65,378,591
05	Rents and utility services	4,114,934	4,233,654	4,041,198
07	Other contractual services	17,804,611	19,515,911	20,494,012
08	Supplies and materials	18,115,215	20,833,000	22,626,000
11	Grants, subsidies, and contributions	128,698,083	144,991,892	149,997,587
13	Refunds, awards, and indemnities	89,936		
15	Taxes and assessments	6,398,883	7,306,098	8,757,601
	Total obligations	2,691,002,037	2,927,800,000	3,030,750,000

Transportation

For 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, [$475,000,000] *$527,320,000. (5 U. S. C. 22a, 133z–15, 361, 369, 372; 31 U. S. C. 22a; 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; Federal Aviation Act; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$475,000,000** Estimate 1960, **$527,320,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Water transportation	$13,863,119	$14,669,000	$15,198,000
2. Highway transportation	82,866,935	86,428,000	90,156,000
3. Rail transportation	335,847,906	304,142,000	347,354,000
4. Air transportation	57,458,000	61,501,000	65,594,000
5. Terminal and transportation charges by foreign countries	7,612,893	8,260,000	9,018,000
Total obligations	497,648,853	475,000,000	527,320,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers to other accounts	$900,643		
Unobligated balance no longer available	1,160,504		
Appropriation (adjusted)	499,710,000	$475,000,000	$527,320,000
Appropriation (adjusted):			
Appropriation	$703,000,000	$475,000,000	$527,320,000
Transferred (71 Stat. 39) to—			
"Administration, regional operation, and research"	−447,000		
"Operations"	−202,599,000		
"Facilities"	−244,000		

This appropriation covers the transportation of mail by air, land, and water. The appropriation request is $527,320,000, an increase of $11,320,000 over the obligations for 1959. The railroad rate increases granted by Interstate Commerce Commission orders of December 30, 1957, and June 23, 1958, added $48,000,000 to the 1959 costs, of which only $7,000,000 are included in these estimates, and $50,000,000 to the 1960 costs. A 1959 supplemental appropriation to cover the unabsorbed costs is anticipated under Proposed for later transmission.

1. *Water transportation.*—This includes transportation of mail by powerboat within the United States and by steamship to foreign countries.

Powerboat service is utilized for the transportation of mail on the inland and coastal waterways at per annum contract rates ($820,000 in 1960) and at pound rates ($2,344,000 in 1960). Effective July 1, 1958, Alaskan contract rates were increased from an average of 5.6 cents to 6.5 cents per pound. Hawaiian contract rates were increased from 4.7 cents to 5.7 cents per pound.

DATA RELATING TO POUND RATE SERVICE BY POWERBOAT

	Pounds (thousands)	*Payments to carriers*	*Average cost per pound (cents)*
1956	38,795	$1,749,940	4.51
1957	40,901	1,881,462	4.60
1958	37,097	1,872,618	5.05
1959 estimate	38,000	2,278,000	6.00
1960 estimate	39,100	2,344,000	6.00

Foreign mail transportation covers the carriage of mails by steamship to foreign countries and between Puerto Rico and the Virgin Islands. Nearly all of the transportation cost is for services at pound rates.

DATA RELATING TO FOREIGN MAIL TRANSPORTATION

	Pounds (thousands)	*Payments to carriers*	*Average cost per pound (cents)*
1956	193,020	$9,650,991	5.00
1957	205,179	10,612,304	5.17
1958	217,066	11,109,686	5.12
1959 estimate	224,815	11,506,500	5.12
1960 estimate	233,808	11,966,500	5.12

2. *Highway transportation.*—This activity includes transportation of mail by star routes and other truck services. 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 service by railroads.

DATA RELATING TO TRANSPORTATION BY STAR ROUTE

	Number of routes (close of year)	*Scheduled miles of travel (thousands)*	*Annual obligations*	*Average cost per mile (cents)*
1956	10,852	249,321	$41,071,541	16.47
1957	10,565	256,792	42,492,770	16.55
1958	10,032	261,434	43,920,731	16.80
1959 estimate	9,692	266,401	45,570,000	17.11
1960 estimate	9,342	271,463	46,726,000	17.21

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

TRANSPORTATION—Continued

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 part 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 (close of year)	*Scheduled miles of travel (thousands)*	*Annual obligations*	*Average cost per mile (cents)*
1956	633	47,241	$10,531,732	22.29
1957	668	51,826	12,082,645	23.31
1958	656	53,130	12,829,534	24.15
1959 estimate	681	55,847	13,960,000	25.00
1960 estimate	706	59,115	15,299,000	25.88

Mobile highway post offices provide mail distribution en route in contract vehicles where adequate train service of this nature does not exist. The estimate provides for 10 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 (close of year)	*Scheduled miles of travel (thousands)*	*Annual obligations*	*Average cost per mile (cents)*
1956	152	16,908	$4,724,335	27.94
1957	171	18,564	5,173,343	27.87
1958	172	19,193	5,658,904	29.48
1959 estimate	182	20,407	6,020,000	29.50
1960 estimate	192	22,237	6,560,000	29.50

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

	Car-foot-miles (thousands)	*Railway post office and line-haul obligations (thousands)*	*Average cost per thousand car-foot-miles*
1958	16,855,100	$261,979	$15.54
1959 estimate	16,855,100	263,531	15.64
1960 estimate	16,725,600	261,812	15.65

4. *Air transportation.*—This covers transportation of mail by air between the points within the United States, 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 TRANSPORTATION

	Ton-miles (thousands) [1]	*Payments to carriers* [1]	*Average cost per ton-mile (cents)*
1956	92,453	$35,134,298	38.00
1957	98,652	37,824,794	38.34
1958	103,322	39,594,021	38.32
1959 estimate	110,506	42,399,000	38.37
1960 estimate	118,138	45,364,000	38.40

[1] Includes airlift of 1st-class mail.

DATA RELATING TO FOREIGN AIRMAIL TRANSPORTATION

	Ton-miles (thousands) [1]	*Payments to U. S. carriers* [1]	*Average cost per ton-mile (cents)*
1956	52,841	$26,170,482	49.53
1957	54,654	27,237,105	49.84
1958	57,322	28,746,634	50.15
1959 estimate	61,115	30,634,000	50.13
1960 estimate	64,913	32,533,000	50.12

[1] Includes military airmail for which the Department is reimbursed.

Object Classification

		1958 actual	1959 estimate	1960 estimate
03	Transportation of things	$497,336,429	$475,000,000	$527,320,000
07	Other contractual services	311,085		
13	Refunds, awards, and indemnities	1,339		
	Total obligations	497,648,853	475,000,000	527,320,000

FACILITIES

For expenses necessary for the operation of postal facilities, buildings, 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 of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government; [$175,000,000] *$200,660,000*: *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, 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] *this appropriation shall be available for the repair, alteration, and improvement of the mail equipment shops at Washington, District of Columbia, 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, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes. (5 U. S. C. 22a, 30q, 43, 61g, 73b–3, 133z–15, 150, 361, 366, 369, 374, 836–840, 922, 944, 1133, 2091–2103, 2121–2123, 2131–2133, 2181–2185; 6 U. S. C. 14; 10 U. S. C. appendix 371a; 31 U. S. C. 22a, 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,9 01–909, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1006, 1008, 1010, 1021, 1031–1033, 1035–1038; Act of May 27, 1958, 72 Stat. 145; Act of May 29, 1958, 72 Stat. 150; Federal Employees Salary Increase Act of 1958; Government Employees Training Act; Treasury-Post Office Appropriation Act, 1959.*)

Appropriated 1959, **$175,000,000** Estimate 1960, **$200,660,000**
Appropriated (adjusted) 1959, **$181,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Building occupancy	$59,678,771	$71,562,000	$76,051,000
2. Supplies and services	41,408,735	41,180,000	44,854,000
3. Regular capital program	68,174,166	68,925,000	79,755,000
4. 1959 program obligated in 1958	15,238,311	−15,238,311	
Total obligations	184,499,983	166,428,689	200,660,000
Financing:			
Comparative transfers to other accounts	2,074,210		
1959 appropriation available in 1958	−15,238,311	15,238,311	
Unobligated balance no longer available	1,043,118		
Appropriation (adjusted)	172,379,000	181,000,000	200,660,000
Proposed supplemental due to pay increases		667,000	
Appropriation (adjusted):			
Appropriation	$237,000,000	$175,000,000	$200,660,000
Transferred from—			
"Operations" (72 Stat. 65)		6,000,000	
"Finance" (71 Stat. 39)	8,689,000		
"Transportation" (71 Stat. 39)	244,000		
Transferred (71 Stat. 39) to—			
"Administration, regional operation, and research"	−2,034,000		
"Operations"	−71,520,000		

This appropriation provides for expenses of building occupancy (other than personal services); for supplies and certain types of contractual services required by the postal service; and for the regular capital program. The amount requested is $200,660,000, an increase of $18,993,000 over the 1959 program (before deducting 1959 advance pro-

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curement funds obligated in 1958, as authorized by Public Law 85–386).

1. *Building occupancy.*—This activity provides for rental of real estate; utilities, fuel, and communications costs; and the acquisition of land for resale under the commercial leasing program. The recoveries from the resale of such land are shown under Advances and reimbursements and are available for this activity.

LEASED AND RENTED BUILDINGS

	Annual rent obligations	Square feet		
		Interior	Loading	Open
June 30, 1958	$37,453,866	39,871,356	1,653,254	32,577,427
June 30, 1959 estimate	40,960,000	42,406,356	2,100,254	43,351,427
June 30, 1960 estimate	47,433,000	45,508,356	2,608,254	54,845,427

2. *Supplies and services.*—This activity provides for the procurement of postal supplies, stamps and other accountable paper, rental of equipment, and certain types of contractual services; the warehousing and distribution of all postal supplies and equipment; the manufacture, storage, and repair of mail bags and other specialized mail equipment items; and the costs of personnel engaged directly in these services.

3. *Regular capital program.*—This program covers (*a*) the normal item-by-item replacement of wornout trucks, lockboxes and standard mail-handling, counterline, and similar postal equipment, (*b*) a basic minimum of rehabilitation and mechanization of existing facilities, (*c*) equipping certain new facilities becoming available in 1960 under the regular program of property acquisition, (*d*) normal expansion of the vehicle fleet to replace contract vehicles, and (*e*) a minimum program of procurement of new types of equipment such as mailsters and automatic letter-handling and stamp-dispensing devices. Additional funds to initiate an improvement program are being requested under the Postal modernization appropriation.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,374	1,443	1,453
Average number of all employees	1,459	1,514	1,492
Number of employees at end of year	1,374	1,443	1,453
Average PFS level and salary	3.5 $4,096	3.6 $4,547	3.5 $4,592
01 Personal services:			
Permanent positions	$5,983,683	$6,592,829	$6,503,001
Other personal services	287,884	309,105	338,938
Total personal services	6,271,567	6,901,934	6,841,939
02 Travel	128,905	134,000	139,000
03 Transportation of things	2,661,527	3,559,000	3,781,000
04 Communication services	3,263,936	3,701,000	4,101,000
05 Rents and utility services	51,205,108	56,443,000	65,423,800
06 Printing and reproduction	4,104,110	4,185,000	4,393,000
07 Other contractual services	22,962,134	14,143,898	14,547,495
08 Supplies and materials	29,057,664	28,120,910	30,460,298
09 Equipment	45,748,895	54,418,000	65,551,000
10 Lands and structures	3,491,556	9,650,000	5,000,000
11 Grants, subsidies, and contributions	363,531	408,658	419,768
13 Refunds, awards, and indemnities	1,235		
15 Taxes and assessments	1,504	1,600	1,700
1959 program obligated in 1958	15,238,311	−15,238,311	
Total obligations	184,499,983	166,428,689	200,660,000

Postal Modernization

For postal modernization as authorized by title III of the Act of May 27, 1958 (72 Stat. 144), $88,500,000, to remain available until expended: Provided, That the funds herein appropriated shall be available for payment to the General Services Administration for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes, and for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): Provided further, That hereafter any other appropriation available to the Post Office Department shall be reimbursed from the funds herein appropriated in such amounts as the Postmaster General may determine to be required to cover the expenses incurred on and after July 1, 1959, from such appropriation for the postal modernization program. (5 U. S. C. 22, 22a, 30q, 43, 61g, 73b–3, 133z–15, 150, 366, 369, 836–840, 901, 911–913, 921, 922, 926, 943, 944, 1111–1114, 1123, 1124, 1133, 2001, 2061–2066, 2091–2103, 2121, 2123; 6 U. S. C. 14; 10 U. S. C. 371a; 31 U. S. C. 22a, 82a–1, 82a–2; 32 U. S. C. 76; 39 U. S. C. 847, 847a, 848b, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1010, 1021, 1031–1033, 1035–1038; Act of May 27, 1958, 72 Stat. 144, 145; Act of May 29, 1958, 72 Stat. 150; Federal Employees Salary Increase Act of 1958; Government Employees Training Act.)

Estimate 1960, **$88,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Contract research, development, and engineering program			$9,740,000
2. Building and equipment improvement program			77,031,000
3. Engineering and technical services			1,729,000
Total obligations			88,500,000
Financing:			
Appropriation			88,500,000

The appropriation of $88.5 million requested under this heading will permit the initiation of the program for full-scale modernization of postal plant and equipment authorized by title III of Public Law 85–426, approved May 27, 1958. The program envisions the eventual expenditure of more than $500 million to replace obsolete and outgrown postal facilities. The improved facilities will be modern, functionally designed, and strategically located mail processing plants. Major installations will be equipped with up-to-date mechanical and electronic mail-handling devices that will move the Nation's ever-growing volume of mail quickly and economically.

The program will also accelerate some of the regular research and capital projects financed under the annual appropriations, Administration, regional operation, and research, and Facilities. As contemplated by the authorizing legislation, the funds for this program are requested to remain available without time limit to provide flexibility in reprograming as new or unforeseen developments arise.

1. *Contract research, development, and engineering program.*—This activity covers the contract and engineering work and prototype equipment required under the modernization program in 1960. As in the case of the regular research program, it will include the design, development, and testing of improved postal equipment and materials, and recommending the location, functional design, building modifications, developing layouts, and mechanization requirements of postal facilities. The work, however, will be at the accelerated rate contemplated by the modernization program.

2. *Building and equipment improvement program.*—This activity which constitutes the principal phase of the modernization program, consists chiefly of the alteration, air-conditioning, and rehabilitation of Government-owned and leased buildings, the general installation of comprehensive systems of modern mail-handling equipment, and the expansion of the program for mechanization of the city delivery service in appropriate areas.

3. *Engineering and technical services.*—The implementation of the postal modernization fund will require the temporary employment of additional personnel. Nearly 200 additional positions will be required primarily in the

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

POSTAL MODERNIZATION—Continued

fields of space acquisition and utilization, vehicle utilization, construction engineering and procurement.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions			199
Average number of all employees			189
Number of employees at end of year			199
Average GS grade and salary			9.6 $7,383
01 Personal services:			
Permanent positions			$1,299,297
Other personal services			10,672
Total personal services			1,309,969
02 Travel			288,933
03 Transportation of things			40,250
07 Other contractual services			45,776,334
09 Equipment			38,303,000
10 Lands and structures			2,696,000
11 Grants, subsidies, and contributions			85,514
Total obligations			88,500,000

FINANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing			
Comparative transfers to other accounts	$3,932,026		
Unobligated balance no longer available	22,974		
Appropriation (adjusted)	3,955,000		
Appropriation (adjusted):			
Appropriation	$13,500,000		
Transferred (71 Stat. 39) to—			
"Administration, regional operation, and research"	−856,000		
"Facilities"	−8,689,000		

JUDGMENTS, UNITED STATES COURTS AND COURT OF CLAIMS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Judgments (total obligations)	$216,111		
Financing:			
Appropriation	216,111		

Object Classification

13 Refunds, awards, and indemnities	$216,111		

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Federal departments and agencies:			
Department of Defense, transportation of military mail	$14,655,111	$15,461,000	$16,232,000
Federal Communications Commission for health unit	3,998	4,000	4,000
Department of the Interior, sale of migratory bird stamps	137,124	165,980	165,980
Department of Justice, alien registration	238,684	256,535	266,730
Treasury Department, sale of savings bonds and stamps	617,250	801,000	1,109,000
Sundry departments and agencies:			
Communication services for agencies occupying Federal buildings operated by the Post Office Department (31 U. S. C. 686)	545,302	561,000	563,000
Supplies and equipment (31 U. S. C. 686)	1,406	1,400	1,400
Oil, gasoline, and automotive services (31 U. S. C. 686)	258,175	260,000	260,000
Fuel and utilities (31 U. S. C. 686)	8,185	7,000	7,000
Non-Federal sources: Sale of property, supplies, and equipment:			
Postal equipment (40 U. S. C. 481 (c))	128,886	125,000	150,000
Purchase of vehicles (40 U. S. C. 481 (c))	226,192	568,000	654,000
Mail equipment shops (39 U. S. C. 829 (b))	56,326	20,000	20,000
Mail bag repair units (39 U. S. C. 829 (b))	244,756	200,000	75,000
Land and buildings (39 U. S. C. 905)	763,668	2,650,000	10,590,000
Total obligations	17,885,063	21,080,915	30,098,110
Financing:			
Advances and reimbursements from—			
Other accounts	16,465,235	17,517,915	18,609,110
Non-Federal sources	1,419,828	3,563,000	11,489,000
Total financing	17,885,063	21,080,915	30,098,110

Object Classification

01 Personal services:			
Permanent positions	$7,998	$8,000	$8,000
Positions other than permanent	1,115,769	1,371,515	1,691,710
Total personal services	1,123,767	1,379,515	1,699,710
03 Transportation of things	14,655,111	15,461,000	16,232,000
04 Communication services	409,551	400,000	400,000
05 Rents and utility services	771,853	2,657,000	10,597,000
08 Supplies and materials	568,297	489,000	364,000
09 Equipment	356,484	694,400	805,400
Total obligations	17,885,063	21,080,915	30,098,110

Proposed for later transmission:

TRANSPORTATION

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Rail transportation (total obligations)		$41,000,000	
Financing:			
Proposed supplemental appropriation		41,000,000	

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Under existing legislation, 1959.—A supplemental appropriation of $41 million is anticipated to pay unabsorbed costs of railroad rate increases authorized by the Interstate Commerce Commission.

[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 $50,000 of appropriations in this title shall be available for the repair, alteration, and improvement of the mail equipment shops at Washington, District of Columbia.]

[SEC. 204. Not exceeding $22,000,000 of appropriations in this title shall be available 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.] (*Treasury-Post Office Appropriation Act, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

	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						40	$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

New obligational authority of $238 million is recommended for the Department of State for 1960, a decrease of $13 million from 1959. Expenditures are estimated to fall from $277 million to $243 million. The new obligational authority and expenditures for 1960 are significantly less than 1959 because of a nonrecurring payment of $24 million to the Philippine Government in 1959. In both 1959 and 1960 the Department's expenditures are estimated to exceed new obligational authority, because of the continuing work on the new State Department building which was appropriated for in 1957.

Conduct of foreign affairs.—Over 85% of the new obligational authority requested for the Department for 1960 is for the conduct of foreign affairs. Operating expenses will rise in 1960 as a result of higher average overseas wages, prices, and communications costs than in 1959. Consular and passport workloads are also increasing steadily. Expenditures are also estimated to rise because of present plans to establish new posts and to elevate consulates to embassy status in countries that are attaining their independence. In addition, the budget provides for improving the effectiveness of the Foreign Service overseas, increasing departmental staff dealing with Eastern Europe and Soviet affairs, and using nongovernmental groups for studies of foreign policy and related matters.

Contributions to international organizations will continue in 1960 at about the 1959 level.

The 1959 estimates include anticipated supplemental appropriations for the United Nations Emergency Force in the Near East, evacuation from certain areas of the Near East, participation in international conferences, and a payment to the Philippine Government in connection with the devaluation of the United States dollar in 1934.

Economic and technical development.—The appropriation requested for 1960 will finance completion of the Rama Road in Nicaragua.

Foreign information and exchange activities.—Exchange of leaders, professors, students, and specialists with other nations will continue at the 1959 level, as will special exchange of persons and grants of books and educational equipment with Finland and India. In 1960, the Department plans to continue to use 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 new obligational authority recommended for 1960 for the International Boundary and Water Commission will permit continuation of construction of Anzalduas Dam and related flood control works on the lower Rio Grande River, financed jointly by the United States and Mexico. New obligational authority and expenditures in 1960 will be lower than in 1959 as the Anzalduas Dam and related works near completion and as extraordinary 1959 flood repair work ends.

Conservation and development of fish and wildlife.—Contributions to international fisheries commissions to regulate fishing and preserve fish stocks in international waters are estimated to increase slightly in 1960, primarily to accelerate a project for the eradication of the parasitic sea lamprey in the Great Lakes.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
International affairs and finance:						
151 Conduct of foreign affairs	$181,526	$221,120	$204,291	$174,620	$242,021	$212,015
152 Economic and technical development	1,500		4,500	1,047	1,241	1,424
153 Foreign information and exchange activities	24,835	23,529	23,934	23,675	24,665	23,606
Total, international affairs and finance	207,861	244,649	232,725	199,342	267,927	237,045
Natural resources:						
401 Conservation and development of land and water resources	3,720	4,779	3,733	5,176	7,071	4,206
404 Conservation and development of fish and wildlife	1,648	1,664	1,754	1,617	1,668	1,750
Total, natural resources	5,368	6,443	5,487	6,793	8,739	5,956
Total, Department of State	213,228	251,092	238,212	206,136	276,665	243,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
ADMINISTRATION OF FOREIGN AFFAIRS												
Current authorizations:												
Salaries and expenses	151	$101,106	$102,300	$6,056	$119,100	$93,053	$105,000	$5,777	$110,777	$113,100	$279	$113,379
Representation allowances	151	599	750		850	649	720		720	844		844
Acquisition, operation, and maintenance of buildings abroad	151	18,500	18,000		18,000	16,602	17,000		17,000	17,500		17,500
Emergencies in the diplomatic and consular service	151	974	1,000		1,000	1,277	1,100		1,100	1,045		1,045
Payment to Foreign Service retirement and disability fund	151	1,667	2,025		2,360	1,667	2,025		2,025	2,360		2,360
Administrative expenses (mutual security)	151	4,684	7,064			3,413	7,000		7,000	1,000		1,000
Extension and remodeling, State Department building	151	2,500				6,681	20,000		20,000	14,000		14,000
Government in occupied areas	151					68						
Permanent authorizations:												
Replacement of passenger motor vehicles sold abroad (indefinite special fund)	151	208	274		298	335	295		295	295		295
Intragovernmental funds:												
Advances and reimbursements	151					55	68		68	45		45
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Emergencies in the diplomatic and consular service	151			1,100				750	750		350	350
Under proposed legislation: Administrative expenses (mutual security)	151				7,250						6,100	6,100
Total, administration of foreign affairs		130,238	131,413	7,156	148,858	123,800	153,208	6,527	159,735	150,189	6,729	156,918
INTERNATIONAL ORGANIZATIONS AND CONFERENCES												
Current authorizations:												
Contributions to international organizations	151	45,573	41,827		48,345	45,461	41,700		41,700	48,500		48,500
Missions to international organizations	151	1,367	1,690	99	1,988	1,250	1,695	95	1,790	1,888	4	1,892
International conferences and contingencies	151	1,750	1,600		2,800	1,642	1,734		1,734	2,000		2,000
Eleventh World Health Assembly of the World Health Organization	151	333				206	127		127			
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Contributions to international organizations	151			5,000				5,000	5,000			
International conferences and contingencies	151			900				500	500		400	400
Total, international organizations and conferences		49,023	45,117	5,999	53,133	48,559	45,256	5,595	50,851	52,388	404	52,792
INTERNATIONAL COMMISSIONS												
Current authorizations:												
International Boundary and Water Commission, United States and Mexico:												
Salaries and expenses	401	526	505	49	573	493	532	47	579	588	2	590
Operation and maintenance	401	1,550	1,570	42	2,160	1,524	1,562	40	1,602	2,198	2	2,200
Construction	401	300	1,000		1,000	1,837	3,200		3,200	1,100		1,100
Rio Grande emergency flood protection	401					2	112		112			
American sections, international commissions	151	335	325	21	370	331	325	21	346	374	1	375
International fisheries commissions	404	1,648	1,645	19	1,754	1,595	1,650	18	1,668	1,749	1	1,750
Passamaquoddy tidal power survey	401	1,344	616	47		1,320	733	45	778	164	2	166
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission	404					22						
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: International Boundary and Water Commission, United States and Mexico:												
Operation and maintenance	401			950				800	800		150	150
Total, international commissions		5,702	5,661	1,127	5,857	7,125	8,114	971	9,085	6,173	157	6,330

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
EDUCATIONAL EXCHANGE												
Current authorizations:												
International educational exchange activities	153	$20,964	$22,800	$330	$23,535	$21,459	$20,983	$317	$21,300	$21,987	$13	$22,000
Educational, scientific and cultural activities	153	3,475				1,028	2,000		2,000	447		447
Permanent authorizations:												
Educational exchange fund, payments by Finland, World War I debt (indefinite special fund)	153	396	399		399	478	435		435	399		399
Educational fund, interest payments by the Government of India (indefinite special fund)	153					697	914		914	760		760
Total, educational exchange		24,835	23,199	330	23,934	23,662	24,332	317	24,649	23,593	13	23,606
OTHER												
Current authorizations:												
Rama Road, Nicaragua	152	1,500			4,500	1,047	1,239		1,239	1,422		1,422
Cleveland Pan American Games	153					13	16		16			
Payment to the Government of Denmark	151		5,296				5,296		5,296			
Salaries and expenses, Philippine rehabilitation	152						2		2	2		2
Permanent authorizations:												
Payment to the Republic of Panama	151	1,930	1,930		1,930	1,930	1,930		1,930	1,930		1,930
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Payment to the Philippine Government	151			23,863				23,863	23,863			
Total, other		3,430	7,226	23,863	6,430	2,990	8,483	23,863	32,346	3,354		3,354
Total new obligational authority and budget expenditures		213,228	212,617	38,475	238,212	206,136	239,393	37,272	276,665	235,697	7,303	243,000

RECAPITULATION								
Enacted or recommended in this document:								
Current authorizations:								
Appropriations		$210,694	$210,014	$228,335	$206,136	$239,393	$235,697	
Permanent authorizations:								
Appropriations		2,535	2,604	2,627				
Proposed for later transmission:								
Pay increase supplemental appropriations			6,662			6,359	303	
Other: Appropriations			31,813	7,250		30,913	7,000	
Total new obligational authority and budget expenditures		213,228	251,092	238,212	206,136	276,665	243,000	

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures 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		$1,863		$9,602		$5,486	$119,100	$109,100	$4,279		$11,207
Representation allowances		119		56		86	850	759	85		92
Acquisition, operation, and maintenance of buildings abroad	$1,537	18,972	$217	20,870	$750	21,870	18,000	9,020	8,480	$750	22,370
Emergencies in the diplomatic and consular service		1,323		616		516	1,000	700	345		471
Payment to Foreign Service retirement and disability fund							2,360	2,360			
Administrative expenses (mutual security)				1,271		1,335			1,000		335
Extension and remodeling, State Department building	5,452	43,811	6,881	39,629	2,881	19,629			14,000		5,629
Government in occupied areas		89									
Permanent authorizations:											
Replacement of passenger motor vehicles sold abroad (indefinite special fund)	77	292	16	166		145	298	150	145		148
Intragovernmental funds:											
Advances and reimbursements	132	333	44	299	30	231			45		186
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Emergencies in the diplomatic and consular service						350			350		
Under proposed legislation: Administrative expenses (mutual security)							7,250	6,100			1,150
Total, administration of foreign affairs	7,199	66,802	7,157	72,509	3,661	49,648	148,858	128,189	28,729	750	41,588
INTERNATIONAL ORGANIZATIONS AND CONFERENCES											
Current authorizations:											
Contributions to international organizations		1,183		1,272		1,400	48,345	47,100	1,400		1,246
Missions to international organizations		85		194		193	1,988	1,700	192		289
International conferences and contingencies		495		387		253	2,800	1,750	250		1,053
Eleventh World Health Assembly of the World Health Organization				127							
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: International conferences and contingencies						400			400		
Total, international organizations and conferences		1,763		1,980		2,246	53,133	50,550	2,242		2,588
INTERNATIONAL COMMISSIONS											
Current authorizations:											
International Boundary and Water Commission, United States and Mexico:											
Salaries and expenses		31		65		40	573	551	39		23
Operation and maintenance		73		221		108	2,160	2,092	108		68
Construction	3,961	4,110	2,404	2,573		373	1,000	727	373		273
Rio Grande emergency flood protection	114	114	112	112							
American sections, international commissions		38		31		32	370	343	32		27
International fisheries commissions		77		116		112	1,754	1,638	112		116
Passamaquoddy tidal power survey	68	258	106	281	111	166			166		
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission	53	75	53	53	53	53				53	53
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: International Boundary and Water Commission, United States and Mexico: Operation and maintenance						150			150		
Total, international commissions	4,196	4,776	2,675	3,452	163	1,034	5,857	5,351	980	53	560

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balance of prior authority	Unobligated	Total
EDUCATIONAL EXCHANGE											
Current authorizations:											
International educational exchange activities		$11,930		$10,431		$12,261	$23,535	$12,387	$9,613		$13,796
Educational scientific and cultural activities				2,447		447			447		
Permanent authorizations:											
Educational exchange fund, payments by Finland, World War I debt (indefinite special fund)	$505	849	$551	767	$551	732	399		399	$551	732
Educational fund, interest payments by the Government of India (indefinite special fund)	2,609	2,980	1,728	2,284	668	1,370			760	109	610
Total, educational exchange	3,114	15,759	2,279	15,929	1,219	14,810	23,934	12,387	11,219	660	15,137
OTHER											
Current authorizations:											
Rama Road, Nicaragua	2,273	3,317	1,049	3,770		2,531	4,500		1,422		5,609
Cleveland Pan American Games	100	100	74	87							
Salaries and expenses, Philippine rehabilitation		8		8		6			2		4
Permanent authorizations:											
Payment to the Republic of Panama							1,930	1,930			
Total, other	2,374	3,426	1,124	3,865		2,537	6,430	1,930	1,424		5,613
Total, Department of State	16,883	92,526	13,235	97,735	5,043	70,275	238,212	198,407	44,594	1,462	65,486
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations shown above	$16,750	$92,192	$13,190	$97,436	$5,013	$69,144				$1,462	$64,150
Balances of anticipated pay increase supplementals not identified above						−303	$230,962	$192,307	$43,391		
Subtotal	16,750	92,192	13,190	97,436	5,013	68,841				1,462	64,150
Revolving and management funds	132	333	44	299	30	231					186
Proposed for later transmission:											
Appropriations						900					1,150
Balances of anticipated pay increase supplementals not identified above						303	7,250	6,100	1,203		
Subtotal						1,203					1,150
Total, Department of State	16,883	92,526	13,235	97,735	5,043	70,275	238,212	198,406	44,594	1,462	65,486

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$92,192	$97,436	$68,841
Revolving and management funds	333	299	231
Proposed for later transmission:			
Pay increase supplemental appropriations			303
Other: Appropriations			900
Total balances brought forward	92,526	97,735	70,275
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	210,694	210,014	228,335
Permanent authorizations: Appropriations	2,535	2,604	2,627
Total new obligational authority enacted or recommended	213,228	212,617	230,962
Proposed for later transmission:			
Pay increase supplemental appropriations		6,662	
Other: Appropriations		31,813	7,250
Total new obligational authority proposed for later transmission		38,475	7,250
Total new obligational authority	213,228	251,092	238,212
Other amounts available:			
Appropriations available in prior year		−1,818	
Appropriations available from subsequent year	1,818		
Total budget authorizations available	307,572	347,009	308,487
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	206,136	239,393	192,307
Out of balances of prior obligational authority			43,391
Total expenditures from obligational authority enacted or recommended	206,136	239,393	235,697
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		6,359	303
Other:			
Out of new obligational authority		30,913	6,100
Out of balances of prior obligational authority			900
Total expenditures from obligational authority proposed for later transmission		37,272	7,303
Total budget expenditures	206,136	276,665	243,000
Amounts no longer available:			
Unobligated balances expiring and lapsing	334	71	
Adjustment of balances downward in expired accounts, net	3,368		
Total amounts no longer available	3,701	71	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	97,436	68,841	64,150
Revolving and management funds	299	231	186
Proposed for later transmission:			
Pay increase supplemental appropriations		303	
Other: Appropriations		900	1,150
Total balances carried forward at close of year	97,735	70,275	65,486
Obligations incurred, net	$218,360	$257,395	$241,793

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ADMINISTRATION OF FOREIGN AFFAIRS

Current authorizations:

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 [six] *fifteen*, of which [three] *two* shall be for replacement only) or 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; [$101,750,000] *$119,100,000*, 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] *$3,800* in the case of the chief of mission automobile at each diplomatic mission (except that [eleven] *fifteen* such vehicles may be purchased at not to exceed [$6,000] *$7,800* each) and $1,500 in the case of all other such vehicles except station wagons. (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, [a] **$102,300,000** Estimate 1960, [b] **$119,100,000**

[a] Includes $550,000 appropriated in Supplemental Appropriation Act, 1959.

[b] Includes $2,800,000 for activities previously carried under "Advances and reimbursements." The amounts obligated in 1958 and 1959 are shown in the schedule as comparative transfers.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Executive direction and policy formulation	$10,061,646	$10,904,835	$11,560,016
2. Conduct of diplomatic and consular relations with foreign countries	76,248,236	81,661,646	88,971,853
3. Conduct of diplomatic relations with international organizations	1,612,191	1,757,044	1,804,457
4. Domestic public information and liaison	1,363,446	1,434,250	1,477,674
5. Central program services	3,653,070	3,754,494	3,745,528
6. Administrative and staff activities	10,560,333	11,507,872	11,540,472
7. 1959 program obligated in 1958	1,695,623	−1,695,623	
Total direct obligations	105,194,545	109,324,518	119,100,000
Reimbursable obligations:			
1. Executive direction and policy formulation	1,199,395	1,485,379	1,545,560
2. Conduct of diplomatic and consular relations with foreign countries	49,392,994	53,848,621	54,795,650
3. Conduct of diplomatic relations with international organizations	92,669	105,969	119,652
4. Domestic public information and liaison	210,045	255,110	303,553
5. Central program services	814,342	872,267	841,709
6. Administrative and staff activities	2,651,715	2,532,654	2,593,876
Total reimbursable obligations	54,361,160	59,100,000	60,200,000
Total obligations	159,555,705	168,424,518	179,300,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers from (−) other accounts	−$2,522,383	−$2,664,141	
1959 appropriation available in 1958	−1,695,623	1,695,623	
Advances and reimbursements from—			
Other accounts	−54,155,759	−58,799,000	−$59,875,000
Non-Federal sources	−283,379	−301,000	−325,000
Unobligated balance no longer available	207,559		
New obligational authority	101,106,120	108,356,000	119,100,000
New obligational authority:			
Appropriation	$101,031,869	$102,300,000	$119,100,000
Transferred (72 Stat. 243) from—			
"Contributions to international organizations"	144		
"Representation allowances"	1,091		
"Emergencies in the diplomatic and consular service"	12,031		
"International fisheries commissions"	10,985		
"Educational, scientific and cultural activities"	50,000		
Appropriation (adjusted)	101,106,120	102,300,000	119,100,000
Proposed supplemental due to pay increases		6,056,000	

NOTE.—Reimbursements fron 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 and from non-Federal sources, as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
United States Information Agency	$12,142,088	$12,767,000	$12,873,000
Mutual security activities	15,236,762	17,280,000	17,623,000
Other accounts	26,698,931	28,752,000	29,379,000
Non-Federal sources	283,379	301,000	325,000
Total reimbursable obligations	54,361,160	59,100,000	60,200,000

1. *Executive direction and policy formulation.*—Increases are requested to improve coordination of Government cultural, educational, and technical exchange programs, and to intensify efforts in the fields of disarmament and outer space in order to develop and urge new approaches to armaments control.

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 estimates provide for increasing mandatory costs such as local employee wages and prices overseas, and for establishing new posts and elevating consulates to embassy status in countries becoming independent. In addition, the Foreign Service would be strengthened by providing certain non-salary-support facilities in order to insure full effectiveness of existing staff, by increasing emphasis on area and "hard" language training, and by continuing on a larger scale contractual studies on disarmament and other foreign policy matters. Increases in personnel are requested chiefly for Department staff concerned with Eastern Europe and the international Communist movement, and to meet rising consular workloads such as increasing requests for immigrant and nonimmigrant visas, and the continuance of the rise in travel abroad, as reflected in the anticipated increase in passport applications in the United States:

1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
564,397	653,074	752,000	865,000

3. *Conduct of diplomatic relations with international organizations.*—Strengthening of the Department's United Nations Educational, Scientific and Cultural Organization staff is essential to providing coverage in the major areas of its work.

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ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

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. The increase for 1960 provides additional staff for long-range planning.

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.*—The increase results primarily from the opening of new posts, elevation of existing posts to embassy status, and the increase in diplomatic activity with the latter causing an expanding communications workload. The table below showing average monthly telegraphic word groups processed in Washington reflects this increased activity:

1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
2,900,000	3,033,000	3,400,000	3,600,000

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	21,287	21,422	21,841
Full-time equivalent of all other positions	52	55	55
Average number of all employees	20,241	20,748	21,297
Number of employees at end of year	20,699	20,948	21,435
Average GS grade and salary	7.2 $5,508	7.3 $6,088	7.4 $6,132
Average grade and salary established by the Foreign Service Act of 1946 (22 U. S. C. 801-1158):			
Foreign Service officers	4.5 $9,039	4.5 $9,928	4.6 $9,810
Foreign Service reserve officers	4.8 $8,431	4.7 $9,489	4.7 $9,536
Foreign Service staff officers	10.7 $4,673	10.7 $5,246	10.7 $5,221
Average salary of ungraded positions	$4,393	$4,310	$4,384
Average salary in foreign countries (local rates)	$1,671	$1,761	$1,854
Personal service obligations:			
Permanent positions	$94,024,428	$101,859,755	$105,197,447
Positions other than permanent	241,471	291,561	308,761
Other personal services	12,915,068	13,527,428	14,721,667
Total personal service obligations	107,180,967	115,678,744	120,227,875
Direct obligations:			
01 Personal services	$76,788,107	$82,917,293	$86,780,291
02 Travel	7,615,440	8,262,974	8,728,937
03 Transportation of things	4,340,454	4,601,369	4,998,797
04 Communication services	3,001,748	3,180,105	3,982,362
05 Rents and utility services	1,815,273	2,058,174	2,393,543
06 Printing and reproduction	774,087	778,612	818,921
07 Other contractual services	2,917,487	3,096,448	3,882,176
Services performed by other agencies	236,770	130,950	145,610
08 Supplies and materials	1,983,376	1,765,187	2,032,833
09 Equipment	1,672,582	1,651,541	2,702,047
11 Grants, subsidies, and contributions	2,306,414	2,525,251	2,581,668
13 Refunds, awards and indemnities	17,806	21,470	21,470
15 Taxes and assessments	29,378	30,767	31,345
1959 program obligated in 1958	1,695,623	−1,695,623	
Total direct obligations	105,194,545	109,324,518	119,100,000
Reimbursable obligations:			
01 Personal services	30,392,860	32,761,451	33,447,584
02 Travel	4,269,693	4,400,617	4,443,069
03 Transportation of things	4,199,424	5,117,803	4,935,955
04 Communication services	2,184,823	2,286,504	2,403,374
05 Rents and utility services	3,800,328	4,181,115	4,289,972
06 Printing and reproduction	156,504	185,949	189,857
07 Other contractual services	3,052,864	3,577,198	3,600,277
Services performed by other agencies	39,938	55,075	55,916
08 Supplies and materials	2,729,629	2,768,229	2,928,392
09 Equipment	2,286,225	2,331,212	2,414,048
11 Grants, subsidies, and contributions	1,177,206	1,358,854	1,409,840
13 Refunds, awards, and indemnities	6,820	6,878	8,896
15 Taxes and assessments	64,846	69,115	72,820
Total reimbursable obligations	54,361,160	59,100,000	60,200,000
Total obligations	159,555,705	168,424,518	179,300,000

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 901 (3) of the Foreign Service Act of 1946 (22 U. S. C. 1131), [$750,000] *$850,000.* (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, **$750,000** Estimate 1960, **$850,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Representation abroad by the Foreign Service (total obligations)	$598,909	$750,000	$850,000
Financing:			
New obligational authority	598,909	750,000	850,000
New obligational authority:			
Appropriation	$600,000	$750,000	$850,000
Transferred to "Salaries and expenses" (72 Stat. 243)	−1,091		
Appropriation (adjusted)	598,909	750,000	850,000

Officers of the Foreign Service are reimbursed in part for expenses incurred in pursuance of the following official duties:

	1958 actual	*1959 estimate*	*1960 estimate*
Promotion of United States national interests	$340,129	$419,800	$467,500
Protection of United States citizens' interests	37,833	52,500	68,000
Promotion of economic activities	99,654	127,810	161,500
Commemorative and ceremonial requirements	121,293	149,890	153,000
Total	598,909	750,000	850,000

The increased amounts requested in 1960 will permit the Foreign Service to represent United States interests and foreign policy more effectively.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$598,909	$750,000	$850,000

ACQUISITION, *OPERATION, AND MAINTENANCE* 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), $18,000,000, of which not less than [$15,000,000] *$17,139,000* 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 [$1,000,000] *$1,300,000* may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, **$18,000,000** Estimate 1960, **$18,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition and construction:			
(a) Acquisition	$1,629,142	$2,811,000	$2,220,000
(b) Planning and development	449,513	210,000	218,000
(c) Construction	12,541,356	5,973,905	6,312,000
2. Building occupancy expenses:			
(a) Operation, maintenance, and repair	4,805,450	5,350,000	5,450,000
(b) Lease payments	563,256	750,000	750,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
3. Furniture and equipment:			
(*a*) Initial furnishings	$853,031	$750,000	$750,000
(*b*) Furniture and household equipment repair and replacement	1,110,756	1,050,000	1,150,000
4. Administrative expenses	1,043,028	1,072,000	1,300,000
Total obligations	22,995,532	17,966,905	18,150,000
Financing:			
Unobligated balance brought forward	−1,536,878	−216,905	−750,000
Advances and reimbursements from—			
Other accounts	−123,845		
Non-Federal sources:			
U. S. dollar collections	−157,064		
Dollar conversion of foreign currencies	−2,894,650	−500,000	−150,000
Unobligated balance carried forward	216,905	750,000	750,000
Appropriation (new obligational authority)	18,500,000	18,000,000	18,000,000

NOTE.—Reimbursements from non-Federal sources consist of proceeds of sale of real property abroad, as authorized by 22 U. S. C. 300 and proceeds of sale of other property as authorized by 40 U. S. C. 471.

The object of the foreign buildings program is to provide consolidated office space for the Foreign Service and other Government agencies 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 $158 million, consisting of some 176 office buildings, 131 principal officer residences, 233 residences for senior officers and attachés, and 1,923 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 term leases are included in Salaries and expenses, above), procurement of initial 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 from the standpoint of conducting efficient operations and 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.

The Department has previously presented to the Congress a 10-year building program estimated to require approximately $100 million for acquiring new office and housing facilities. The status of the program is as follows:

PROJECTED STATUS OF THE 1957–65 FOREIGN BUILDINGS PROGRAM THROUGH JUNE 30, 1960

[Amounts stated in thousands of U. S. dollars]

Type of project	*Building program 1957–65*	*Completed through 1958*	*Program goals 1959 Under way*	*1959 Completion*	*1960 Under way*	*1960 Completion*	*Unfunded projects*
Office buildings:							
Number	123	8	5	6	8	6	90
Amount	$53,237	$1,365	$2,872	$1,797	$4,724	$2,761	$39,718
Principal officers' residences:							
Number	109	9	2	7	1	7	83
Amount	$12,952	$1,050	$400	$403	$50	$608	$10,441
Senior officers' and attachés' residences:							
Number	428	19	-------	17	------	4	388
Amount	$16,740	$1,100	-------	$850	------	$200	$14,590
Staff housing:							
Units	834	15	20	36	6	99	658
Amount	$17,311	$300	$400	$720	$120	$1,900	$13,871
Total	$100,240	$3,815	$3,672	$3,770	$4,894	$5,469	$78,620

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	220		230		261	
Average number of all employees	191		205		237	
Number of employees at end of year	215		230		261	
Average GS grade and salary	8.8	$7,073	8.9	$7,536	9.3	$7,821
Average grade and salary established by Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158); Foreign Service staff officers and employees	4.8	$9,559	4.5	$9,255	4.4	$9,576
Average salary of ungraded positions (local employees)		$2,438		$2,492		$2,508
01 Personal services:						
Permanent positions		$1,106,804		$1,191,400		$1,408,110
Other personal services		81,319		83,600		101,890
Total personal services		1,188,123		1,275,000		1,510,000
02 Travel		134,226		150,000		150,000
03 Transportation of things		175,320		200,000		200,000
05 Rents and utility services		583,552		750,000		750,000
07 Other contractual services		1,031,083		1,050,000		1,050,000
Services performed by other agencies		2,840,000		3,200,000		3,200,000
08 Supplies and materials		1,298,391		1,300,000		1,300,000
09 Equipment		1,473,111		1,300,000		1,300,000
10 Lands and structures		14,228,179		8,697,905		8,646,000
11 Grants, subsidies, and contributions		41,818		42,000		42,000
15 Taxes and assessments		1,729		2,000		2,000
Total obligations		22,995,532		17,966,905		18,150,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Proceeds of sales of buildings and grounds, foreign currency, Foreign Service building fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Balance brought forward	$135,072	$113,637	
Proceeds of sales (22 U. S. C. 300)	1,303,778	260,000	$120,000
Dollar conversions credited to "Acquisition, operation, and maintenance of buildings abroad"	−1,325,213	−373,637	−120,000
Balance carried forward	−113,637		
Total financing			

Buildings abroad are sold and the proceeds applied toward the acquisition and preservation of other properties. Foreign currency proceeds placed in this account are expended through Acquisition, operation, and maintenance of buildings abroad.

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, 1959.*)

Appropriated 1959, **$1,000,000** Estimate 1960, **$1,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Unforeseen emergencies (total obligations)	$951,707	$1,000,000	$1,000,000
Financing:			
Unobligated balance no longer available	22,293		
New obligational authority	974,000	1,000,000	1,000,000
New obligational authority:			
Appropriation	$1,000,000	$1,000,000	$1,000,000
Transferred (72 Stat. 243) to—			
"Salaries and expenses"	−12,031		
"Missions to international organizations"	−9,450		
"American sections, international commissions"	−4,519		
Appropriation (adjusted)	974,000	1,000,000	1,000,000

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ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Current authorizations—Continued

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE—Continued

These funds are 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.

A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Unvouchered	$951,707	$1,000,000	$1,000,000

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), [$2,025,000] *$2,360,000.* (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, **$2,025,000** Estimate 1960, **$2,360,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment on Government share of retirement costs (total obligations)	$1,667,000	$2,025,000	$2,360,000
Financing:			
Appropriation (new obligational authority)	1,667,000	2,025,000	2,360,000

The request of $2,360,000 is estimated to equal the Government's net share of cash disbursements to be made by the fund in 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions (payment to trust fund)	$1,667,000	$2,025,000	$2,360,000

[ADMINISTRATIVE EXPENSES, MUTUAL SECURITY ACT]

[Administrative expenses: For expenses of the Department of State as authorized by section 411 (c) of the Mutual Security Act of 1954, as amended, $6,692,500.] (*Mutual Security Appropriation Act, 1959.*)

Appropriated 1959, **$6,692,500**
Appropriated (adjusted) 1959, **$7,064,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction and policy formulation	$424,027	$473,597	
2. Conduct of diplomatic and consular relations with foreign countries	5,731,921	5,941,405	
3. Conduct of diplomatic relations with international organizations	230,908	214,112	
4. Domestic public information and liaison	184,455	204,087	
5. Administrative and staff activities	222,764	230,799	
Total obligations	6,794,075	7,064,000	

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Comparative transfers from (−) other accounts	−$2,109,922		
Unobligated balance no longer available	67		
New obligational authority	4,684,220	$7,064,000	
New obligational authority:			
Appropriation	$4,684,220	$6,692,500	
Transferred from "Economic assistance," mutual security (68 Stat. 849)		371,500	
Appropriation (adjusted)	4,684,220	7,064,000	

Funds for this item were previously appropriated to Administrative expenses, Mutual Security Act, and were allocated to the Department of State to reimburse accounts which include program policy review, services to the United States regional office, Paris, and Escapee program activities. This appropriation now includes funds for participation in the Organization for European Economic Cooperation, mutual security program coordination, and public information functions which were transferred to the Department of State during 1958. The 1960 estimate under Proposed for later transmission, will be transmitted later as a part of the mutual security appropriation bill.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	188	202	
Average number of all employees	154	189	
Number of employees at end of year	148	197	
Average GS grade and salary		8.4 $6,475	
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158):			
Foreign Service officers	4.5 $9,795	4.2 $10,667	
Foreign Service reserve officers	1.0 $16,952	2.1 $14,512	
Foreign Service staff officers	8.3 $6,895	8.2 $6,964	
Average salary of ungraded positions (local rates)	$1,985	$2,133	
01 Personal services:			
Permanent positions	$580,246	$1,065,172	
Other personal services	76,765	62,472	
Total personal services	657,011	1,127,644	
02 Travel	134,908	137,900	
03 Transportation of things	2,426	870	
04 Communication services	7,956	6,562	
06 Printing and reproduction	2,650	355	
07 Other contractual services	19,369	15,268	
Services performed by other agencies	5,936,848	5,731,065	
08 Supplies and materials	5,619	5,100	
09 Equipment	7,108	9,370	
11 Grants, subsidies, and contributions	19,998	29,727	
15 Taxes and assessments	182	139	
Total obligations	6,794,075	7,064,000	

EXTENSION AND REMODELING, STATE DEPARTMENT BUILDING

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Design, supervision, etc	$941,691	$255,000	$199,420
2. Rents and moving expenses	45,910	4,233	500,000
3. Construction	84,176	3,740,767	2,181,245
Total obligations	1,071,777	4,000,000	2,880,665
Financing:			
Unobligated balance brought forward	−5,452,442	−6,880,665	−2,880,665
Unobligated balance carried forward	6,880,665	2,880,665	
Appropriation (new obligational authority)	2,500,000		

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The existing main building of the Department of State is being remodeled and an addition constructed. Work is proceeding at approximately the scheduled rate.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel	$568	$1,000	$1,000
03	Transportation of things	746	1,000	1,000
06	Printing and reproduction	25,648	10,000	10,000
07	Other contractual services	914,590	243,000	699,420
08	Supplies and materials	139	500	500
09	Equipment	17,189	25,000	245,062
10	Lands and structures	112,897	3,719,500	1,923,683
	Total obligations	1,071,777	4,000,000	2,880,665

Permanent authorizations:

REPLACEMENT OF PASSENGER MOTOR VEHICLES SOLD ABROAD

(Indefinite special fund)

Appropriated (estimate) 1959, **$274,341** Estimate 1960, **$298,300**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Purchase of passenger motor vehicles (total obligations)	$270,036	$289,960	$298,300
Financing:			
Unobligated balance brought forward	−77,498	−15,619	
Unobligated balance carried forward	15,619		
Appropriation (new obligational authority)	208,157	274,341	298,300

Proceeds from the sale of passenger motor vehicles of the Foreign Service abroad are available for the replacement of such vehicles. It is anticipated that the estimated proceeds in 1960 will replace 115 vehicles.

Object Classification

		1958 actual	1959 estimate	1960 estimate
03	Transportation of things	$7,753	$76,960	$68,600
09	Equipment	262,283	213,000	229,700
	Total obligations	270,036	289,960	298,300

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Representation abroad by the Foreign Service:			
Mutual security program (Department of Defense)	$158,687	$160,500	$160,500
Mutual security program (administrative expenses)	75,815	75,400	75,400
International Cooperation Administration	2,800	2,800	2,800
Department of Agriculture	155		
2. International educational exchange (International Cooperation Administration)	333,533	403,068	403,068
3. Department of Defense	339,509	364,190	364,190
4. Miscellaneous services to other accounts	34,951	10,000	10,000
Total obligations	945,450	1,015,958	1,015,958
Financing:			
Comparative transfers to (−) other accounts	−2,522,383	−2,664,141	
Unobligated balance brought forward	132,496	44,317	30,257

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Advances and reimbursements from—			
Other accounts	$3,373,549	$3,656,039	$975,701
Non-Federal sources (40 U. S. C. 481 (c))	6,105	10,000	10,000
Unobligated balance carried forward	−44,317	−30,257	
Total financing	945,450	1,015,958	1,015,958

Object Classification

		1958 actual		1959 estimate		1960 estimate	
	Total number of permanent positions		57		58		58
	Average number of all employees		54		56		56
	Number of employees at end of year		50		58		58
	Average GS grade and salary	7.8	$5,438	7.8	$6,084	7.8	$6,084
	Average grade and salary established by the Foreign Service Act of 1946 (22 U. S. C. 801–1158):						
	Foreign Service officers	6.9	$6,154	6.9	$7,088	6.9	$7,088
	Foreign Service reserve officers	6.0	$6,867	6.0	$7,897	6.0	$7,897
	Foreign Service staff officers	11.5	$3,723	11.5	$4,181	11.5	$4,181
01	Personal services:						
	Permanent positions		$304,257		$354,351		$354,351
	Other personal services		8,102		9,843		9,843
	Total personal services		312,359		364,194		364,194
02	Travel		12,572		5,575		5,575
03	Transportation of things		214		215		215
04	Communication services		1,595				
07	Other contractual services		280,143		251,792		251,792
	Services performed by other agencies		9,400		17,985		17,985
08	Supplies and materials		28,026				
09	Equipment		46,337		58,285		58,285
11	Grants, subsidies, and contributions		254,602		317,692		317,692
15	Taxes and assessments		202		220		220
	Total obligations		945,450		1,015,958		1,015,958

Proposed for later transmission:

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Unforeseen emergencies (total obligations)		$1,100,000	
Financing:			
Proposed supplemental appropriation		1,100,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to provide for costs relating to the evacuation of Government employees, their dependents, and other American citizens from certain areas in the Middle and Far East.

ADMINISTRATIVE EXPENSES, MUTUAL SECURITY ACT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction and policy formulation			$604,455
2. Conduct of diplomatic and consular relations with foreign countries			5,964,347
3. Conduct of diplomatic relations with international organizations			220,106
4. Domestic public information and liaison			214,829
5. Administrative and staff activities			246,263
Total obligations			7,250,000
Financing:			
Proposed supplemental appropriation			7,250,000

Under existing and proposed legislation, 1960.—Funds to provide program policy review, support services to the United States regional office, Paris, and Escapee activities, are anticipated for inclusion in the mutual security appropriation bill.

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INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Current authorizations:

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, [$41,827,453] *$48,345,000.* (*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 Aug. 15, 1957; (6) 22 U. S. C. 271, 272–272b; Public Law 85–477, approved June 30, 1958; (7) 6 U. S. T. 1213; T. I. A. S. 3266; (8) T. I. A. S. 2052; 1 U. S. T. 281–294; (9) T. I. A. S. 4044; 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; T. S. 938; 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; Public Law 85–477, approved June 30, 1958; (5) T. I. A. S. 3170; other international organizations—(1) 22 U. S. C. 276, 276a; Public Law 85–477, approved June 30, 1958; (2) 32 Stat. 1779; 36 Stat. 2199; (3) 53 Stat. 1748; (4) 26 Stat. 1520; protocol modifying the Convention of July 5, 1890; (5) 20 Stat. 709, 43 Stat. 1686; (6) 22 U. S. C. 274; Public Law 85–627, approved Aug. 4, 1958; (7) 22 U. S. C. 275; (8) T. I. A. S. 3177; (9) 7 U. S. C. 1642 (g); T. I. A. S. 3709; (10) 71 Stat. 453; T. I. A. S. 3873; general—22 U. S. C. 262a; Department of State Appropriation Act, 1959.)*

Appropriated 1959, **$41,827,453** Estimate 1960, **$48,345,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
United Nations and specialized agencies:			
1. United Nations	$26,051,610	$16,562,250	$20,334,713
2. United Nations Educational, Scientific, and Cultural Organization	3,382,999	3,401,102	3,789,810
3. International Civil Aviation Organization	1,912,365	2,161,747	2,386,909
4. World Health Organization	3,867,610	4,666,480	4,744,090
5. Food and Agriculture Organization	2,034,770	3,000,000	2,997,489
6. International Labor Organization	1,750,000	1,927,685	2,132,464
7. International Telecommunication Union	146,163	213,200	175,000
8. World Meteorological Organization	63,169	66,050	70,710
9. Intergovernmental Maritime Consulative Organization			100,000
Subtotal	39,208,686	31,998,514	36,731,185
Inter-American organizations:			
1. Inter-American Children's Institute	22,000	25,000	25,000
2. Inter-American Indian Institute	4,800	4,800	4,800
3. Inter-American Institute of Agricultural Sciences	214,008	218,021	223,472
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	1,518,000	1,914,000	2,310,000
7. Organization of American States	2,829,609	3,733,649	4,840,961
8. Inter-American Radio Office	2,400		
Subtotal	4,644,597	5,949,250	7,458,013
Regional organizations:			
1. Caribbean Commission	137,959	137,380	142,000
2. South Pacific Commission	69,420	68,673	69,776
3. North Atlantic Treaty Organization	1,312,219	1,326,400	1,890,400
4. North Atlantic Treaty Organization Parliamentary Conference	11,696	27,179	27,179
5. Southeast Asia Treaty Organization	84,208	186,000	213,000
Subtotal	1,615,502	1,745,632	2,342,355
Other international organizations:			
1. Interparliamentary Union	18,000	18,000	18,000
2. International Bureau of the Permanent Court of Arbitration	1,145	1,212	1,212
3. International Bureau for the Protection of Industrial Property	1,767	1,767	1,767
4. International Bureau for the Publication of Customs Tariffs	8,658	8,658	8,658
5. International Bureau of Weights and Measures	14,847	14,378	14,700
6. International Council of Scientific Unions	9,000	9,000	35,285
7. International Hydrographic Bureau	9,997	9,997	9,997
8. International Sugar Council	16,552	17,150	17,150

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Other international organizations—Con.			
9. International Wheat Council	$24,291	$24,430	$24,430
10. International Atomic Energy Agency		2,029,465	1,682,248
Subtotal	104,257	2,134,057	1,813,447
Total obligations	45,573,042	41,827,453	48,345,000
Financing:			
New obligational authority	45,573,042	41,827,453	48,345,000
New obligational authority:			
Appropriation	$45,589,806	$41,827,453	$48,345,000
Transferred (72 Stat. 243) to—			
"Salaries and expenses"	−144		
"Operation and maintenance," International Boundary and Water Commission, United States and Mexico	−16,505		
"International conferences and contingencies"	−115		
Appropriation (adjusted)	45,573,042	41,827,453	48,345,000

The United States contributes its share of the expenses of the United Nations and 8 of its specialized agencies, including for the first time the Intergovernmental Maritime Consultative Organization, 7 inter-American organizations, 5 regional organizations, and 10 other organizations.

The growing role of international organizations in world affairs is accompanied by added responsibilities. Along with the costs of new responsibilities, there are higher operating costs.

The estimated increase for the United Nations is required mainly for United Nations Observer Group in Lebanon in calendar year 1958 and United Nations activity in Jordan in calendar year 1959, the establishment of an economic commission in Africa, capital improvements and allowance adjustments in the New York headquarters, and an increase in the United Nations working capital fund. A supplemental appropriation is anticipated in 1959 for the United States share of the assessed portion of the costs of the United Nations emergency force in the Middle East and is shown under Proposed for later transmission.

Other major contribution increases are for: (1) The United Nations Educational, Scientific, and Cultural Organization for its major projects in education, research about the arid lands, and Eastern and Western cultures; (2) the International Civil Aviation Organization and International Labor Organization mainly for wage and price increases and other financial adjustments; (3) the Pan American Sanitary Organization for improved health techniques and stepped up eradication programs, particularly malaria; and (4) the Organization of American States to put into effect additional programs recommended by the Inter-American Committee of Presidential Representatives, particularly fellowships.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services: Services performed by other agencies	$392,219	$451,400	$501,400
11 Grants, subsidies, and contributions	45,180,823	41,376,053	47,843,600
Total obligations	45,573,042	41,827,453	48,345,000

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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; [$1,690,000: *Provided*, That, hereafter, Senate delegates to Conferences of the Interparliamentary Union shall be designated by the Presiding Officer of the Senate] *$1,988,000*. (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, **$1,690,000** Estimate 1960, **$1,988,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Delegations to:			
1. United Nations	$927,413	$1,038,500	$1,151,000
2. International organizations, Geneva	262,320	252,600	266,600
3. International Civil Aviation Organization	70,541	82,800	82,800
4. Interparliamentary Union	15,000	30,000	30,000
5. National Commission of the Pan American Railway Congress Association		500	500
6. Organization of American States	65,163	92,500	92,500
7. North Atlantic Treaty Organization Parliamentary Conference	24,207	30,000	30,000
8. International Atomic Energy Agency	190,715	261,770	334,600
Total obligations	1,555,359	1,788,670	1,988,000
Financing:			
Comparative transfers from (−) other accounts	−190,715		
Unobligated balance no longer available	2,306		
New obligational authority	1,366,950	1,788,670	1,988,000
New obligational authority:			
Appropriation	$1,357,500	$1,690,000	$1,988,000
Transferred from "Emergencies in the diplomatic and consular service" (72 Stat. 243)	9,450		
Appropriation (adjusted)	1,366,950	1,690,000	1,988,000
Proposed supplemental due to pay increases		98,670	

These missions represent the United States in the activities of the international organizations listed above to present United States policy, insure effective participation and representation with such organizations, provide continuous reporting, facilitate contact with the international secretariats, and maintain relationship with delegations of other governments. The increase would provide furniture for the new office building for the Mission to the United Nations, adequate housing for the minister and staff of the Mission at Geneva, and full staffing of the Mission to the International Atomic Energy Agency.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	148	148	148
Full-time equivalent of all other positions	1	2	2
Average number of all employees	130	138	139
Number of employees at end of year	134	139	139
Average GS grade and salary	7.9 $5,739	8.0 $6,394	8.6 $6,511
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158):			
Foreign Service officers	2.7 $13,146	2.7 $13,472	2.7 $13,761
Foreign Service reserve officers	2.0 $13,630	2.1 $14,274	2.1 $14,537
Foreign Service staff officers and employees	10.4 $5,495	10.5 $5,522	10.5 $5,638
Average salary of ungraded positions	$4,347	$4,687	$4,687
01 Personal services:			
Permanent positions	$965,013	$1,124,879	$1,150,136
Positions other than permanent	5,235	17,600	17,600
Other personal services	84,193	96,491	102,674
Total personal services	1,054,441	1,238,970	1,270,410

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$58,523	$55,100	$74,200
03 Transportation of things	48,541	27,600	36,700
04 Communication services	54,441	68,250	61,500
05 Rents and utility services	46,386	46,000	54,000
06 Printing and reproduction	2,115	3,500	3,500
07 Other contractual services	29,398	27,470	31,670
Services performed by other agencies	92,634	118,400	136,000
Representation	21,513	28,000	28,000
08 Supplies and materials	14,826	12,100	12,100
09 Equipment	44,824	42,250	158,890
11 Grants, subsidies, and contributions	48,390	60,480	60,480
15 Taxes and assessments	120	550	550
Undistributed	39,207	60,000	60,000
Total obligations	1,555,359	1,788,670	1,988,000

International *Conferences and* 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); [$1,600,000] *$2,800,000*, 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: *Provided, That $800,000 of this appropriation shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), only when certified by the Secretary of State to be required for expenditures which are beyond his administrative control and which result from circumstances arising since transmission of the estimates for this appropriation.* (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, **$1,600,000** Estimate 1960, **$2,800,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Participation in international conferences:			
Meetings of international organizations	$1,050,677	$939,545	$1,306,200
Other international conferences	245,740	358,755	161,100
Contingent reserve			800,000
Total, participation in international conferences	1,296,417	1,298,300	2,267,300
2. United States missions on special assignments:			
United States-Italian Conciliation Commission	42,453	45,000	45,000
United States-Japanese Property Commission	1,026	12,000	27,000
Total, United States missions on special assignments	43,479	57,000	72,000
3. Contributions to new or provisional organizations:			
Baghdad Pact	73,889	125,000	295,000
Central Commission for the Rhine River	13,137	13,200	13,200
Coffee Study Group			15,000
General Agreement on Tariffs and Trade	81,020	90,000	107,000
International Cotton Advisory Committee	12,500	12,500	25,000
International Rubber Study Group	2,125	3,700	5,200
International Seed Testing Association	294	300	300
Total, contributions to new or provisional organizations	182,965	244,700	460,700
Total obligations	1,522,861	1,600,000	2,800,000
Financing:			
Comparative transfers to other accounts	190,715		
Unobligated balance no longer available	36,539		
New obligational authority	1,750,115	1,600,000	2,800,000

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INTERNATIONAL ORGANIZATIONS AND CONFERENCES—Continued

Current authorizations—Continued

INTERNATIONAL *CONFERENCES AND* CONTINGENCIES—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
New obligational authority:			
Appropriation	$1,750,000	$1,600,000	$2,800,000
Transferred from "Contributions to international organizations" (72 Stat. 243)	115		
Appropriation (adjusted)	1,750,115	1,600,000	2,800,000

This appropriation provides for United States participation in recurring and emergency international conferences and other activities arising in the conduct of foreign affairs. This includes (1) participation in international conferences; (2) special missions; and (3) contributions to new or provisional international organizations. The increase is chiefly for the Administrative Radio Conference, contributions to the Baghdad Pact, and the establishment of a contingent reserve for activities which cannot be specifically planned in advance.

A supplemental request is anticipated under Proposed for later transmission to provide for conferences in the final quarter of 1959.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	5	6	6
	Full-time equivalent of all other positions	3	3	3
	Average number of all employees	7	8	8
	Number of employees at end of year	4	5	5
	Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801-1158): Foreign Service staff officers and employees	11.0 $4,650	11.0 $4,650	11.0 $4,650
	Average salary of ungraded positions (local employees)	$2,400	$2,400	$2,400
01	Personal services:			
	Permanent positions	$26,417	$33,000	$33,000
	Positions other than permanent	36,568	40,000	45,000
	Other personal services	18,269	16,000	18,000
	Total personal services	81,254	89,000	96,000
02	Travel	1,006,947	1,003,000	1,150,000
03	Transportation of things	4,991	5,000	5,300
04	Communication services	9,923	10,000	12,000
05	Rents and utility services	21,290	20,000	25,000
06	Printing and reproduction	2,044	2,400	3,000
07	Other contractual services	69,892	76,800	86,500
	Services performed by other agencies	72,846	73,200	78,500
	Representation and entertainment	54,171	60,000	65,000
08	Supplies and materials	10,548	10,000	12,000
09	Equipment	4,151	4,000	4,000
11	Grants, subsidies, and contributions	184,415	246,200	462,200
15	Taxes and assessments	389	400	500
	Undistributed			800,000
	Total obligations	1,522,861	1,600,000	2,800,000

ELEVENTH WORLD HEALTH ASSEMBLY OF THE WORLD HEALTH ORGANIZATION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Conference expense (total obligations)	$332,500		
Financing:			
Appropriation (new obligational authority)	332,500		

Object Classification

02	Travel	$5,000		
07	Other contractual services	24,000		
11	Grants, subsidies, and contributions	303,500		
	Total obligations	332,500		

Proposed for later transmission:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program and Financing

	1959 actual	1959 estimate	1960 estimate
Program by activities:			
United Nations and specialized agencies: United Nations (total obligations)		$5,000,000	
Financing:			
Proposed supplemental appropriation		5,000,000	

Under existing legislation, 1959.—It is anticipated that an additional appropriation of $5 million will be requested to meet the United States share of that portion of the costs of maintaining the United Nations Emergency Force for the calendar year 1959 that is to be met by assessments on the United Nations membership.

INTERNATIONAL CONTINGENCIES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Participation in international conferences (total obligations)		$900,000	
Financing:			
Proposed supplemental appropriation		900,000	

Under existing legislation, 1959.—It is expected that an additional appropriation will be required to finance the participation in a number of international meetings and conferences which will occur in the final quarter of 1959 for which funds are not available.

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 [three] *four* 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, 1959.*)

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SALARIES AND EXPENSES

For salaries and expenses not otherwise provided for, including examinations, preliminary surveys, and investigations, [$505,000] *$573,000. (Treaties of Feb. 2, 1848, Dec. 30, 1853, Nov. 12, 1884, March 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, 1959.)*

Appropriated 1959, **$505,000** Estimate 1960, **$573,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. General administration	$316,777	$339,200	$339,900
2. General engineering	163,446	168,300	179,400
3. Project investigations:			
(*a*) Lower Colorado River flood control	18,821	23,500	23,700
(*b*) Tijuana valley sanitation	1,899	6,800	7,000
(*c*) Rio Grande stream gaging control weirs			12,500
(*d*) Lower Rio Grande flood control			11,000
(*e*) Tijuana river development	11,385	6,200	
(*f*) Santa Cruz River development	11,764	10,500	
(*g*) Lower Rio Grande control dams	740		
(*h*) Douglas-Agua Prieta sanitation	704		
Total operating costs	525,536	554,500	573,500
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−3,391	−1,000	−1,000
Property or services transferred out without charge (net)	1,473		
Total operating costs, funded	523,618	553,500	572,500
Capital outlay:			
4. Operating program	3,899	500	500
Total program costs, funded	527,517	554,000	573,000
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,502		
Total program (obligations)	526,015	554,000	573,000
Financing:			
New obligational authority	526,015	554,000	573,000
New obligational authority:			
Appropriation	$505,000	$505,000	$573,000
Transferred from "International fisheries commissions" (72 Stat. 243)	21,015		
Appropriation (adjusted)	526,015	505,000	573,000
Proposed supplemental due to pay increases		49,000	

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; and (3) preliminary project investigations.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$131	$106	$106	$106
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	6,056	3,224	3,224	3,224
Total selected resources at end of year	6,187	3,330	3,330	3,330
Selected resources at start of year (−)		−6,187	−3,330	−3,330
Adjustment of selected resources reported at start of year		1,355		
Costs financed from obligations of other years, net (−)		−1,502		

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	73	75	77
Full-time equivalent of all other positions	1	1	1
Average number of all employees	72	72	74
Number of employees at end of year	68	72	74

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Average GS grade and salary	7.8 $5,928	7.8 $6,688	7.8 $6,656
Average salary of ungraded positions	$3,803	$3,848	$3,848
01 Personal services:			
Permanent positions	$450,003	$477,455	$494,555
Positions other than permanent	2,885	1,000	1,000
Other personal services	17,460	18,955	20,455
Total personal services	470,348	497,410	516,010
02 Travel	5,336	5,440	5,440
03 Transportation of things	575	1,500	1,500
04 Communication services	5,891	5,700	5,700
06 Printing and reproduction	687	1,000	1,000
07 Other contractual services	4,531	4,450	4,450
08 Supplies and materials	7,174	8,000	8,000
09 Equipment	3,391	500	500
11 Grants, subsidies, and contributions	27,567	29,900	30,300
13 Refunds, awards, and indemnities	300		
15 Taxes and assessments	215	100	100
Total obligations	526,015	554,000	573,000

OPERATION AND MAINTENANCE

For operation and maintenance of projects or parts thereof, as enumerated above, including gaging stations, [$1,570,000] *$2,160,000: 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, 1959.)*

Appropriated 1959, **$1,570,000** Estimate 1960, **$2,160,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. El Paso projects	$571,272	$582,690	$879,410
2. Lower Rio Grande flood control project	426,981	459,300	716,010
3. Falcon dam and powerplant	233,207	247,610	257,680
4. International gaging stations	227,235	262,000	262,000
Total operating costs	1,458,695	1,551,600	2,115,100
Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−88,551	−111,500	−126,500
Property or services transferred in (−) without charge (net)	−13,883		
Total operating costs, funded	1,356,261	1,440,100	1,988,600
Capital outlay:			
5. Replacement of equipment	182,787	165,800	171,400
Total program costs, funded	1,539,048	1,605,900	2,160,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−116,805	
Obligations incurred for costs of other years, net	132,862		
Total program (obligations)	1,671,910	1,489,095	2,160,000
Financing:			
1959 appropriation available in 1958	−122,405	122,405	
New obligational authority	1,549,505	1,611,500	2,160,000
New obligational authority:			
Appropriation	$1,533,000	$1,570,000	$2,160,000
Transferred from "Contributions to international organizations" (72 Stat. 243)	16,505		
Appropriation (adjusted)	1,549,505	1,570,000	2,160,000
Proposed supplemental due to pay increases		41,500	

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 including Anzalduas Dam, Falcon Dam and powerplant, and stream gaging stations on the international rivers and tributaries. A supplemental appropriation for wage-board increases and emergency flood repairs is anticipated under Proposed for later transmission.

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INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO—Continued

OPERATION AND MAINTENANCE—continued

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 adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$146,717	$200,314	$169,745	$169,745
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	21,096	98,950	12,714	12,714
Total selected resources at end of year	167,813	299,264	182,459	182,459
Selected resources at start of year (−)		−167,813	−299,264	−182,459
Adjustment of selected resources reported at start of year		1,411		
Costs financed from obligations of other years, net (−)			−116,805	
Obligations incurred for costs of other years, net		132,862		

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		238		260		291
Full-time equivalent of all other positions		3		6		6
Average number of all employees		236		245		286
Number of employees at end of year		240		245		286
Average GS grade and salary	6.3	$5,184	6.1	$5,595	6.1	$5,505
Average salary of ungraded positions		$4,055		$3,993		$4,232
01 Personal services:						
Permanent positions		$1,045,223		$1,086,355		$1,294,100
Positions other than permanent		7,780		18,350		18,350
Other personal services		18,399		18,985		26,870
Total personal services		1,071,402		1,123,690		1,339,320

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$6,292	$4,050	$5,750
03 Transportation of things	6,797	7,550	13,550
04 Communication services	21,501	16,150	16,150
05 Rents and utility services	16,286	14,200	14,500
06 Printing and reproduction	85	50	50
07 Other contractual services	17,221	15,020	26,000
Services performed by other agencies	68		
08 Supplies and materials	191,008	210,000	247,000
09 Equipment	169,706	172,500	172,500
10 Lands and structures	214		262,000
11 Grants, subsidies, and contributions	63,862	65,440	80,530
13 Refunds, awards, and indemnities	175		
15 Taxes and assessments	637	850	650
1959 program obligated in 1958	122,405	−122,405	
Subtotal	1,687,659	1,507,095	2,178,000
Deduct quarters charges	15,749	18,000	18,000
Total obligations	1,671,910	1,489,095	2,160,000

CONSTRUCTION

For detailed plan preparation and construction of projects authorized by the Convention concluded February 1, 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, $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, 1959.*)

Appropriated 1959, **$1,000,000** Estimate 1960, **$1,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1960 financing			Appropriation required to complete
	Total estimate	To June 30, 1957	1958 actual	1959 estimate	1960 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1960	
Program by activities:									
1. Rio Grande dams:									
(a) Falcon Dam and powerplant	$36,426,602	$35,067,966	$295,974	$1,062,662					
(b) Upper Dam (Diablo Dam and Reservoir)	1,552,602	1,444,145	65,738	42,719					
2. Lower Rio Grande flood control: Anzalduas Dam and related works	6,725,103	824,091	1,546,531	2,456,481	$1,000,000			$1,000,000	$898,000
Total program costs	44,704,307	37,336,202	1,908,243	3,561,862	1,000,000			1,000,000	898,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)			−50,872	−157,734					
Total program (obligations)			1,857,371	3,404,128	1,000,000				
Financing:									
Unobligated balance brought forward			−3,961,499	−2,404,128					
Unobligated balance carried forward			2,404,128						
Appropriation (new obligational authority)			300,000	1,000,000	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 1959. This work is financed from unobligated balances of prior year funds. It is expected that a report on the feasibility of United States participation in the Diablo Dam and Reservoir project, the second major international storage structure contemplated by the 1944 water treaty, will be submitted to the 86th Congress for its consideration.

2. *Lower Rio Grande flood control.*—This appropriation provides funds for continuation of construction of the Anzalduas Dam and related works as part of the Lower Rio Grande flood-control project. The dam, a low flood-control structure, is designed to effect equitable division of flood waters 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 cost of the dam and related works is estimated to amount to $6,725,103.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$414	.....	.....	.....
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	118,432	$116,140	.....	.....
Equipment (acquisition value of facilities used on projects, less depreciation charged to project costs)	89,760	41,594	.....	.....
Total selected resources at end of year	208,606	157,734	.....	.....
Selected resources at start of year (−)	.....	−208,606	−$157,734	.....
Costs financed from obligations of other years, net (−)		−50,872	−157,734	.....

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	14	29	17
Full-time equivalent of all other positions	1	2	1
Average number of all employees	17	29	18
Number of employees at end of year	20	29	18
Average GS grade and salary	8.1 $6,076	7.1 $5,889	6.8 $5,504
Average salary ungraded positions	.....	$3,598	.....
01 Personal services:			
Permanent positions	$101,134	$152,302	$90,000
Positions other than permanent	5,466	9,500	2,000
Other personal services	4,991	3,400	3,500
Total personal services	111,591	165,202	95,500
02 Travel	1,876	2,600	1,000
03 Transportation of things	916	1,600	1,000
04 Communication services	2,190	2,250	1,500
05 Rents and utility services	1,899	1,800	500
06 Printing and reproduction	.....	2,000	.....
07 Other contractual services	7,321	10,000	1,000
Services performed by other agencies	30,245	8,000	.....
08 Supplies and materials	17,953	17,000	5,000
09 Equipment	3,535	2,500	1,500
10 Land and structures	1,615,692	3,122,736	888,000
11 Grants, subsidies, and contributions	6,371	9,000	5,000
13 Refunds, awards, and indemnities	10	.....	.....
14 Interest	58,350	60,000	.....
15 Taxes and assessments	82	100	.....
Subtotal	1,858,031	3,404,788	1,000,000
Deduct quarters charges	660	660	.....
Total obligations	1,857,371	3,404,128	1,000,000

RIO GRANDE EMERGENCY FLOOD PROTECTION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Emergency repairs (total costs—obligations)	$2,185	$112,022	.....
Financing:			
Unobligated balance brought forward	−114,207	−112,022	.....
Unobligated balance carried forward	112,022	.....	.....
Appropriation (new obligational authority)	.....	.....	.....

This provides funds for use in flood emergencies affecting structures erected for protection of properties in the United States valued at nearly $1 billion. The entire balance has been obligated in 1959 for flood damage which occurred during October and November. No new funds will be requested under this account as emergencies can be met from other appropriations (70 Stat. 302).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Full-time equivalent of all other positions	.....	11	.....
Average number of all employees	.....	11	.....
Number of employees at end of year	.....	0	.....
Average salary of ungraded positions	.....	$3,120	.....

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Positions other than permanent	$584	$35,000	.....
Other personal services	1,267	14,122	.....
Total personal services	1,851	49,122	.....
02 Travel	154	2,200	.....
03 Transportation of things	.....	600	.....
04 Communication services	.....	500	.....
07 Other contractual services	63	22,500	.....
08 Supplies and materials	79	33,000	.....
09 Equipment	.....	2,100	.....
11 Grants, subsidies, and contributions	38	.....	.....
15 Taxes and assessments	.....	2,000	.....
Total obligations	2,185	112,022	.....

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] *services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)*; hire of passenger motor vehicles; [$325,000] *$370,000*, 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, 1959.*)

Appropriated 1959, **$325,000** Estimate 1960, **$370,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. International Boundary Commission	$89,638	$98,110	$98,620
2. International Joint Commission:			
(a) United States section	56,122	59,280	74,280
(b) Special and technical investigations, International Joint Commission:			
(1) Allocation to Public Health Service	72,279	69,600	73,600
(2) Allocation to Geological Survey	114,514	119,500	123,500
Total obligations	332,553	346,490	370,000
Financing:			
Unobligated balance no longer available	1,966	.....	.....
New obligational authority	334,519	346,490	370,000
New obligational authority:			
Appropriation	$330,000	$325,000	$370,000
Transferred from "Emergencies in the diplomatic and consular service" (72 Stat. 243)	4,519	.....	.....
Appropriation (adjusted)	334,519	325,000	370,000
Proposed supplemental due to pay increases	.....	21,490	.....

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INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS—Continued

These funds are used for payment of the United States share of the expenses of:

1. *International Boundary Commission.*—This Commission keeps the United States-Canadian boundary line marked in accordance with existing treaties. It also maintains boundary vistas by periodic tree cutting.

2. *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 the Geological Survey. It also acts to insure appropriate apportionment of international waters and, upon referral, investigates and makes recommendations for remedial action.

Object Classification

	1958 actual	1959 estimate	1960 estimate
DEPARTMENT OF STATE			
Total number of permanent positions	11	12	13
Full-time equivalent of all other positions	6	7	7
Average number of all employees	16	18	19
Number of employees at end of year	31	32	33
Average GS grade and salary	10.0 $7,402	9.9 $7,879	9.5 $7,560
01 Personal services:			
Permanent positions	$89,290	$100,935	$105,257
Positions other than permanent	16,573	18,700	21,700
Other personal services	12,169	12,809	13,252
Total personal services	118,032	132,444	140,209
02 Travel	11,979	10,365	14,185
03 Transportation of things	162	150	150
04 Communication services	715	700	2,175
05 Rents and utility services	497	500	500
06 Printing and reproduction	540	445	790
07 Other contractual services	3,850	3,175	4,425
08 Supplies and materials	2,789	1,850	2,100
09 Equipment	1,485	650	950
11 Grants, subsidies, and contributions	5,256	6,571	6,876
15 Taxes and assessments	455	540	540
Total, Department of State	145,760	157,390	172,900
ALLOCATION ACCOUNTS			
Total number of permanent positions	9	8	8
Full-time equivalent of all other positions		1	2
Average number of all employees	9	8	8
Number of employees at end of year	9	8	8
Average GS grade and salary	8.5 $6,596	7.9 $6,733	7.9 $6,733
01 Personal services:			
Permanent positions	$54,852	$44,649	$44,632
Positions other than permanent	2,363	4,350	8,165
Other personal services	222	201	403
Total personal services	57,437	49,200	53,200
02 Travel	2,029	3,050	3,200
03 Transportation of things	396	475	475
04 Communication services	1,371	1,300	1,400
05 Rents and utility services	1,751	1,750	1,800
06 Printing and reproduction		900	600
07 Other contractual services	1,117	1,200	1,200
Services performed by other agencies	114,514	119,500	123,500
08 Supplies and materials	3,345	5,500	5,500
09 Equipment	1,486	3,100	3,100
11 Grants, subsidies, and contributions	3,140	2,900	2,900
15 Taxes	207	225	225
Total, allocation accounts	186,793	189,100	197,100
Total obligations	332,553	346,490	370,000
Obligations are distributed as follows:			
Department of State	$145,760	$157,390	$172,900
Department of Health, Education, and Welfare	72,279	69,600	73,600
Department of the Interior	114,514	119,500	123,500

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, [$1,644,900] *$1,754,000*: *Provided,* That the United States share of such expenses may be advanced to the respective commissions. (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, **$1,644,900** Estimate 1960, **$1,754,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. International Pacific Halibut Commission	$111,625	$111,000	$121,900
2. International Pacific Salmon Fisheries Commission	245,625	233,000	246,650
3. Inter-American Tropical Tuna Commission	352,700	363,000	372,700
4. International Commission for the Northwest Atlantic Fisheries	4,082	5,250	5,250
5. International Whaling Commission	560	600	600
6. International North Pacific Fisheries Commission	13,573	17,650	17,650
7. Great Lakes Fishery Commission	907,600	918,812	975,287
8. North Pacific Fur Seal Commission		1,200	2,000
9. Expenses of the United States Commissioners	7,430	13,200	11,963
Total obligations	1,643,195	1,663,712	1,754,000
Financing:			
Unobligated balance no longer available	4,805		
New obligational authority	1,648,000	1,663,712	1,754,000
New obligational authority:			
Appropriation	$1,680,000	$1,644,900	$1,754,000
Transferred (72 Stat. 243) to—			
"Salaries and expenses," administration of foreign affairs	−10,985		
"Salaries and expenses," International Boundary and Water Commission, United States and Mexico	−21,015		
Appropriation (adjusted)	1,648,000	1,644,900	1,754,000
Proposed supplemental due to pay increases		18,812	

These funds cover the cost of United States participation in eight international fisheries commissions. The purpose of these commissions is to determine and undertake or recommend measures necessary for the preservation and expansion of fishery stocks.

The use of a specific toxicant to kill parasitic lampreys and their larvae, first successfully employed in 1959, will be continued and expanded in 1960 to bring under control the infestation of the Great Lakes and enable eventual restoration of commercial fisheries.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$7,430	$13,200	$11,963
11 Grants, subsidies, and contributions	1,635,765	1,650,512	1,742,037
Total obligations	1,643,195	1,663,712	1,754,000

[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 per diem for individuals; hire of passenger motor vehicles; and expenses of attendance at meetings concerned with the purpose of this appropriation; $616,000, to remain available until expended.] (*Department of State Appropriation Act, 1959.*)

Appropriated 1959, **$616,000**

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Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Engineering survey	$1,181,786	$527,000	$110,540
2. Power marketing studies	61,592	46,675	
3. Commercial fishery studies	53,781	54,131	
4. Administration	9,600	30,007	
Total obligations	1,306,759	657,813	110,540
Financing:			
Unobligated balance brought forward	−67,838	−105,753	−110,540
Recovery of prior year obligations	−674		
Unobligated balance carried forward	105,753	110,540	
New obligational authority	1,344,000	662,600	
New obligational authority:			
Appropriation	$1,344,000	$616,000	
Proposed supplemental due to pay increases		46,600	

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. The purpose of the survey is to determine (1) the cost of construction, (2) whether 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 United States 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.

No appropriation is requested for 1960. Carryover funds will be obligated by the Corps of Engineers to complete field work and the report to the International Joint Commission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
DEPARTMENT OF STATE			
07 Other contractual services: Services performed by other agencies	$71,192	$76,682	
ALLOCATION ACCOUNTS			
Total number of permanent positions	54	46	
Full-time equivalent of all other positions	1	1	
Average number of all employees	53	46	9
Number of employees at end of year	54	36	0
Average GS grade and salary	10.6 $7,739	11.0 $8,886	10.3 $8,556
01 Personal services:			
Permanent positions	$436,675	$393,747	$75,421
Positions other than permanent	2,682	2,900	
Other personal services	9,497	6,017	1,579
Total personal services	448,854	402,664	77,000
02 Travel	23,429	35,300	6,500
03 Transportation of things	1,235	1,200	
04 Communication services	1,595	1,050	200
05 Rents and utility services	2,877	300	
06 Printing and reproduction	208	2,000	4,000
07 Other contractual services	614,432	32,021	
Services performed by other agencies	96,672	76,000	17,840
08 Supplies and materials	7,201	7,077	
09 Equipment	13,648	1,100	
10 Lands and structures	94		
11 Grants, subsidies, and contributions	24,287	21,629	5,000
13 Refunds, awards, and indemnities	900	650	
15 Taxes and assessments	135	140	
Total, allocation accounts	1,235,567	581,131	110,540
Total obligations	1,306,759	657,813	110,540
Obligations are distributed as follows:			
Department of State	$71,192	$76,682	
Corps of Engineers, Army	1,181,786	527,000	$110,540
Fish and Wildlife Service, Department of the Interior	53,781	54,131	

RESTORATION OF SALMON RUNS, FRASER RIVER SYSTEM, INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$52,880	−$52,880	−$52,880
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.

Proposed for later transmission:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

OPERATION AND MAINTENANCE

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. El Paso projects		$19,700	
2. Lower Rio Grande flood control project		14,200	
3. Falcon dam and powerplant		4,500	
4. Rio Grande emergency flood protection		911,600	
Total program (costs—obligations)		950,000	
Financing:			
Proposed supplemental appropriation		950,000	

Under existing legislation, 1959.—A supplemental estimate is anticipated for 1959 to provide funds for wage-board increases already granted (71 Stat. 55) and to replace funds under the regular operation and maintenance and construction appropriations which are currently being used for emergency flood fighting and repairs in addition to the Rio Grande emergency flood protection account (70 Stat. 302).

EDUCATIONAL EXCHANGE

Current authorizations:

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] *$5,000*); services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and advance of funds not withstanding section 3648 of the Revised Statutes as amended; [$22,800,000] *$23,535,000*, of which not less than [$7,250,000] *$4,811,500* 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 [$1,437,500] *$1,500,000* may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1959*)

Appropriation 1959, **$22,800,000** Estimate 1960, [a] **$23,535,000**

[a] Includes $405,000 for activities previously carried under "Mutual security, economic assistance," funds appropriated to the President. The amounts obligated in 1958 and 1959 are shown in the schedules as comparative transfers.

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EDUCATIONAL EXCHANGE—Continued

Current authorizations—Continued

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES—Con.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Governmental program expense:			
(a) American republics	$2,687,006	$4,653,600	$4,650,000
(b) Western Europe	8,265,052	7,732,600	6,985,000
(c) Eastern Europe	157,454	286,700	500,000
(d) Far East	4,133,963	4,313,000	4,300,000
(e) Near East and South Asia	3,497,922	3,561,600	3,600,000
(f) Africa	1,406,735	1,383,000	1,850,000
2. Grants for private U. S. programs	153,293	167,000	150,000
3. Administrative expenses	1,220,626	1,437,500	1,500,000
Total obligations	21,522,051	23,535,000	23,535,000
Financing:			
Comparative transfers from (−) other accounts	−616,457	−405,000	
Unobligated balance no longer available	58,114		
New obligational authority	20,963,708	23,130,000	23,535,000
New obligational authority:			
Appropriation	$20,963,708	$22,800,000	$23,535,000
Proposed supplemental due to pay increases		330,000	

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 obligations for this program are shown in the following table:

	1958 actual	*1959 estimate*	*1960 estimate*
Appropriated funds	$21,522,051	$23,535,000	$23,535,000
Foreign currencies generated by surplus commodity sales	4,614,974	7,386,100	6,817,300
Total	26,137,025	30,921,100	30,352,300

Educational exchange grants for United States and foreign participants are estimated as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
United States grantees	2,097	2,077	2,033
Foreign grantees	4,799	4,772	4,867
Total grantees	6,896	6,849	6,900

Exchange of persons programs with Eastern European countries and the Soviet Union were initiated in 1959 and will continue at an expanded rate in 1960.

Object Classification

	1958 actual	1959 estimate	1960 estimate
DEPARTMENT OF STATE			
Total number of permanent positions	265	280	280
Average number of all employees	234	260	268
Number of employees at end of year	238	270	270
Average GS grade and salary	7.6 $5,558	7.5 $6,060	7.5 $6,060
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U. S. C. 801–1158):			
Foreign Service officers	6.5 $6,706	6.5 $7,432	6.5 $7,432
Foreign Service reserve officers	5.0 $8,787	5.0 $9,817	5.0 $9,817
Foreign Service staff officers	4.6 $8,440	4.6 $9,297	4.6 $9,297

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
DEPARTMENT OF STATE—continued			
01 Personal services:			
Permanent positions	$1,446,072	$1,673,135	$1,724,114
Other personal services	42,878	53,965	55,786
Total personal services	1,488,950	1,727,100	1,779,900
02 Travel	56,916	85,000	85,000
07 Other contractual services	2,520,650	2,350,000	2,400,000
Services performed by other agencies	2,145,225	2,880,000	3,000,000
11 Grants, subsidies, and contributions	13,945,862	16,491,900	16,269,100
15 Taxes and assessments	967	1,000	1,000
Total, Department of State	20,158,570	23,535,000	23,535,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	53		
Average number of all employees	48		
Number of employees at end of year	49		
Average GS grade and salary	8.0 $5,896		
01 Personal services:			
Permanent positions	$284,355		
Positions other than permanent	2,844		
Other personal services	1,769		
Total personal services	288,968		
02 Travel	13,989		
03 Transportation of things	7		
04 Communication services	11,886		
06 Printing and reproduction	5,447		
07 Other contractual services	5,597		
08 Supplies and materials	3,817		
09 Equipment	40		
11 Grants, subsidies, and contributions	1,033,546		
15 Taxes and assessments	184		
Total, allocation accounts	1,363,481		
Total obligations	21,522,051	$23,535,000	$23,535,000
Obligations are distributed as follows:			
Department of State	$20,158,570	$23,535,000	$23,535,000
Department of Labor	220,496		
Department of Health, Education, and Welfare	1,136,685		
Library of Congress	6,300		

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Agricultural Trade Development and Assistance Act of 1954

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Educational exchange:			
(a) American republics	$824,465	$974,600	$641,100
(b) Europe		196,500	1,168,000
(c) Far East	997,268	1,373,100	921,900
(d) Near East and South Asia	619,786	1,352,100	1,626,500
2. Aid to American-sponsored schools	2,173,455	3,489,800	2,459,800
Total obligations	4,614,974	7,386,100	6,817,300
Financing:			
Unobligated balance brought forward	−10,163,963	−11,426,372	−14,298,400
Adjustment due to change in exchange rates to permit conversion to dollar equivalent	1,173,604		
Unobligated balance carried forward	11,426,372	14,298,400	7,481,100
Unobligated balance no longer available	500,000	188,200	
Authorization to expend foreign currency receipts pursuant to 7 U. S. C. 1704	7,550,987	10,446,328	

Foreign currencies, generated from sales abroad of United States surplus agricultural commodities are 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 6 countries. As shown above under International educational exchange activities, these foreign currencies are in addition to funds regularly appropriated for such activities.

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Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$4,614,974	$7,386,100	$6,817,300

Status of Unfunded Allocations

Unfunded balance, start of year	$10,556,884	$12,625,475	$14,298,400
Allocations	7,550,987	10,446,328	
Unfunded balance expiring	−500,000	−188,200	
Adjustment due to change in exchange rates to permit conversion to dollar equivalents	−1,519,438		
Unfunded balance, end of year	−12,625,475	−14,298,400	−7,481,100
Transfers into agency account	3,462,958	8,585,203	6,817,300

Analysis of Expenditures

Obligated balance, start of year	$392,921	$3,249,147	$3,000,000
Obligations incurred during year	4,614,974	7,386,100	6,817,300
Adjustment due to change in exchange rates to permit conversion to dollar equivalent	−345,834		
Obligated balance, end of year	−3,249,147	−3,000,000	−2,817,300
Expenditures	1,412,914	7,635,247	7,000,000

Educational, Scientific, and Cultural Activities

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Grants	$3,466,661		
2. Administration	8,333		
Total obligations	3,474,994		
Financing:			
Unobligated balance no longer available	6		
New obligational authority	3,475,000		
New obligational authority:			
Appropriation	$3,525,000		
Transferred to "Salaries and expenses," administration of foreign affairs (72 Stat. 243)	−50,000		
Appropriation (adjusted)	3,475,000		

Object Classification

Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$8,333		
11 Grants, subsidies, and contributions	3,466,661		
Total obligations	3,474,994		

Permanent authorizations:

Educational Exchange Permanent Appropriations

(Indefinite special funds)

Appropriated (est.) 1959, **$399,174** Estimate 1960, **$399,064**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Educational exchange fund, payments by Finland, World War I debt"	$386,344	$399,174	$399,064
2. "Educational fund, interest payments by the Government of India"	947,759	1,059,738	559,497
Total obligations	1,334,103	1,458,912	958,561
Financing:			
Unobligated balance brought forward	−3,113,610	−2,278,827	−1,219,089
Recovery of prior year obligations	−102,831		
Unobligated balance carried forward	2,278,827	1,219,089	659,592
Appropriation (new obligational authority)	396,489	399,174	399,064

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 1958 the exchange of 35 Finns was financed in full from this fund and 58 grants to Finns and Americans under the Fulbright program were supplemented. The amount of $129,810 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, 1958, a total of $3,271,963 had been obligated for this purpose (65 Stat. 71).

Object Classification

	1958 actual	1959 estimate	1960 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 $4,445	6.7 $5,105	6.7 $5,105
01 Personal services:			
Permanent positions	$14,086	$15,371	$15,311
Other personal services	53	59	119
Total personal services	14,139	15,430	15,430
07 Other contractual services	13,646	15,056	15,761
11 Grants, subsidies, and contributions	387,899	581,291	506,011
Total, Department of State	415,684	611,777	537,202
ALLOCATION ACCOUNTS			
Total number of permanent positions	22	22	22
Average number of all employees	18	21	21
Number of employees at end of year	21	22	22
Average GS grade and salary	7.0 $4,973	7.0 $5,516	7.0 $5,516
Average FSS grade and salary	4.2 $8,086	5.0 $8,570	5.0 $8,570
Average salary of ungraded positions (local rates)	$1,000	$1,000	$1,000
01 Personal services:			
Permanent positions	$61,258	$64,855	$64,943
Other personal services	11,298	11,375	11,647
Total personal services	72,556	76,230	76,590
02 Travel	11,670	12,400	11,200
04 Communication services	19		
06 Printing and reproduction	23		
07 Other contractual services	304	673	670
08 Supplies and materials	302	500	940
09 Equipment	2,839	2,997	
11 Grants, subsidies, and contributions	830,706	754,335	331,959
Total allocation accounts	918,419	847,135	421,359
Total obligations	1,334,103	1,458,912	958,561
Obligations are distributed as follows:			
Department of State	$415,684	$611,777	$537,202
United States Information Agency	880,646	847,135	421,359
Department of Health, Education, and Welfare	36,324		
Department of Labor	1,449		

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) and the Act of September 2, 1958 (72 Stat. 1709), $4,500,000, 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.

Estimate 1960, **$4,500,000**

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OTHER—Continued

Current authorizations—Continued

RAMA ROAD, NICARAGUA—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction (total obligations)	$2,723,750	$1,049,459	$4,500,000
Financing:			
Unobligated balance brought forward	−2,273,209	−1,049,459	
Unobligated balance carried forward	1,049,459		
Appropriation (new obligational authority)	1,500,000		4,500,000

The Rama Road, being constructed pursuant to international agreement, will connect the east coast river port of Rama, Nicaragua, with the Inter-American Highway, 158 miles away. It is contemplated that the $4,500,000 requested for 1960 will complete the Rama Road and thereby completely discharge the United States obligation assumed under this international agreement.

Object Classification

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	6	6	6
Average number of all employees	5	3	4
Number of employees at end of year	2	3	4
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$30,168	$15,290	$26,800
Positions other than permanent	963		
Other personal services	13,777	8,690	13,275
Total personal services	44,908	23,980	40,075
02 Travel	1,832	4,000	9,000
03 Transportation of things	5,765	5,000	10,000
04 Communication services		200	200
05 Rents and utility services		200	200
06 Printing and reproduction	153	500	50
07 Other contractual services	17,475	85	150
08 Supplies and materials	222	5,460	5,800
09 Equipment	537		
10 Lands and structures	2,651,721	1,008,959	4,432,700
11 Grants, subsidies, and contributions	1,027	1,000	1,750
15 Taxes and assessments	110	75	75
Total obligations	2,723,750	1,049,459	4,500,000

CLEVELAND PAN AMERICAN GAMES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)	$26,000	$2,890	
Financing:			
Unobligated balance brought forward	−100,000	−74,000	
Unobligated balance carried forward	74,000		
Unobligated balance no longer available		71,110	
Appropriation (new obligational authority)			

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 represent claims which have been filed by the Cleveland Pan American Games Foundation.

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$26,000	$2,890	

[PAYMENT TO THE GOVERNMENT OF DENMARK]

[For payment of claims of the Government of Denmark, as authorized by the Act of June 6, 1958 (Public Law 85-450), $5,296,302.] (*Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$5,296,302**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)		$5,296,302	
Financing:			
Appropriation (new obligational authority)		5,296,302	

This provides full and final settlement of the claims of the Government of Denmark against the United States for the requisitioning of 40 privately owned Danish ships in the early part of World War II.

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities		$5,296,302	

Permanent authorizations:

PAYMENT TO THE REPUBLIC OF PANAMA

Appropriated 1959, **$1,930,000** Estimate 1960, **$1,930,000**

Program and Financing

	1958 actual	1959 estimate	1960 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. The Treaty of Mutual Understanding and Cooperation of 1955, provides 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

	1958 actual	1959 estimate	1960 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

Program and Financing—Without Purchase

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Functions under section 502 (b) of Public Law 665 (total obligations)	$535,890	$96,813	
Financing:			
Unobligated balance brought forward	−844,486	−818,900	−$730,376
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	19,857	4,047	
Unobligated balance carried forward	818,900	730,376	730,376
Authorization to expend foreign currency receipts (22 U. S. C. 1754 (b))	530,161	12,336	

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Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$535,860	$96,813	
07 Other contractual services	30		
Total obligations	535,890	96,813	

Analysis of Expenditures

Obligations incurred	$535,890	$96,813	
Expenditures	535,890	96,813	

Proposed for later transmission:

PAYMENT TO THE PHILIPPINE GOVERNMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to the Government of the Philippines (total obligations)		$23,862,751	
Financing:			
Proposed supplemental appropriation		23,862,751	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to provide payment to the Philippine Government in connection with the devaluation of the United States dollar in 1934. This appropriation is authorized under the act of June 19, 1934 (48 Stat. 1115), and is to be derived from receipts under section 7 of the Gold Reserve Act of 1934 (31 U. S. C. 408b).

GENERAL PROVISIONS—DEPARTMENT OF STATE

SEC. 102. Appropriations under this title for "Salaries and expenses", "International *conferences and* 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, 1959.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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	206	$545,100	198	$249,500	$295,600	450	$1,500	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	39	99,250	34	49,200	50,050	154		Do.
Bus						7		Do.
INTERNATIONAL ORGANIZATIONS AND CONFERENCES								
Missions to international organizations							1,700	For use of members of the United States mission to the United Nations attending meetings at the United Nations site, at missions, and at offices of 80 national delegations in New York.
Station wagon						1		Do.
INTERNATIONAL COMMISSIONS								
International Boundary and Water Commission, United States and Mexico: Salaries and expenses	4	6,000	4	800	5,200	18		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	249	650,350	236	299,500	350,850	633	3,200	

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TREASURY DEPARTMENT

The 1960 recommendations for new obligational authority for the Treasury Department total $8.9 billion. Of this amount, 91% is for interest payments. Federal financial management makes up 6%, and most of the remaining 3% is for the Coast Guard.

Total new obligational authority will be $4,032 million, or 31% lower in 1960 than in 1959, predominantly because of nonrecurring subscriptions to International Bank for Reconstruction and Development and International Monetary Fund of $4,550 million in 1959; however, interest on the public debt will increase by $500 million.

In line with the President's policy to reduce the burden on the general taxpayer for services which give special benefits to identifiable individuals or groups, the Department will present to the Congress draft legislation (1) to amend or repeal provisions of customs and coast guard laws which either prohibit the collection of fees or fix charges at rates which do not permit the full recovery of costs incurred, and (2) to authorize reimbursement of the Coast Guard for fuel and supplies furnished public and commercial vessels and other watercraft.

Interest.—Interest on the public debt, on refunds of receipts, and on uninvested funds are financed by permanent appropriations which do not require annual congressional action. Expenditures are estimated to be $8.1 billion in 1960, a 7% increase over 1959. The increase is caused by higher market rates of interest on a larger public debt.

International affairs and finance.—New obligational authority of $4,550 million is recommended for 1959 in legislation to increase the United States subscriptions to the International Bank for Reconstruction and Development and the International Monetary Fund. The subscription to the fund will require expenditures of $1,375 million in 1959. The remaining $3,175 million is needed only to guarantee obligations of the bank and therefore is not expected to entail any budget expenditures.

Promotion of water transportation.—The new obligational authority of $260 million for 1960 for the Coast Guard is about 8% higher than the amount enacted for 1959—primarily for increased maintenance costs and for the replacement of obsolete equipment and facilities. Expenditures in 1960, however, are estimated to increase from 1959 by only 4% because of the long lead time required for the delivery of aircraft and electronic equipment.

Federal financial management.—New obligational authority of $520 million requested for 1960 represents a net increase of about $13 million over 1959. In some work areas such as issuing of checks, recording of sale and redemption of savings bonds, and reconciling of accounts of disbursing officers, improved electronic equipment and new techniques will make it possible to meet higher workloads without proportionately increased costs. The increase for 1960 over 1959 is primarily for strengthening the enforcement of our internal revenue and customs laws.

Labor and manpower.—Federal unemployment taxes are used to pay grants to the States for the administrative expenses of the employment service and the unemployment compensation programs. Since these expenditures are made by the Department of Labor, they are discussed in that chapter. 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 Treasury. The increase of $6 million from 1959 to 1960 reflects additional receipts resulting from a higher employment level.

Other aids to business.—When the Reconstruction Finance Corporation was abolished in 1957, certain loans were transferred to Treasury for liquidation. The net receipts from their liquidation in 1960 are estimated at $3.8 million, or $2.7 million less than in 1959.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
International affairs and finance:						
152 Economic and technical development		$4,550,000		$1	$1,375,000	
Labor and welfare:						
211 Labor and manpower	$39,532		$5,612	39,532		$5,612
Commerce and housing:						
511 Promotion of water transportation	224,421	240,550	260,300	218,929	238,038	250,341
518 Other aids to business				−11,213	−6,509	−3,759
519 Regulation of commerce and finance				1		
520 Civil and defense mobilization				−146	−159	−157
Total, commerce and housing	224,421	240,550	260,300	207,571	231,370	246,425
General government:						
603 Executive direction and management	1,049	1,245	1,305	970	1,322	1,304
604 Federal financial management	483,030	506,860	519,930	462,626	520,679	517,062
608 Protective services and alien control	7,411	7,833	8,180	7,110	8,080	8,175
609 Territories and possessions, and the District of Columbia	18,544	20,012	20,012	18,679	19,812	20,048
610 Other general government	16,909	20,739	5,002	20,458	21,184	5,002
Total, general government	526,943	556,689	554,429	509,843	571,077	551,591
Interest:						
651 Interest on the public debt	7,606,774	7,500,000	8,000,000	7,606,774	7,500,000	8,000,000
652 Interest on refunds of receipts	73,675	91,776	86,900	73,675	91,776	86,900
653 Interest on uninvested funds	8,397	8,803	9,108	8,397	8,803	9,108
Total, interest	7,688,846	7,600,579	8,096,008	7,688,846	7,600,579	8,096,008
Total, Treasury Department	8,479,742	12,947,818	8,916,349	8,445,794	9,778,026	8,899,636

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
OFFICE OF THE SECRETARY												
Current authorizations:												
Salaries and expenses	604	$3,164	$3,068	$206	$3,300	$3,055	$3,149	$196	$3,345	$3,264	$10	$3,274
Permanent authorizations:												
Expenses of administration of settlement of War Claims Act of 1928 (indefinite special fund)	604	16	15		18	13	18		18	18		18
Federal control of transportation systems (indefinite special fund)	518					5	6		6	6		6
Public enterprise funds:												
Liquidation of corporate assets:												
Reconstruction Finance Corporation liquidation fund	518					−11,218	−6,515		−6,515	−3,765		−3,765
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund		(315)	(160)		(95)							
Civil defense loans: Civil defense program fund	520					−146	−159		−159	−157		−157
Intragovernmental funds:												
Advances and reimbursements	604						3		3			
Proposed for later transmission (other than pay increase supplementals):												
Under proposed legislation:												
Investment in International Bank for Reconstruction and Development (authorization to expend from debt receipts)	152			3,175,000								
Investment in International Monetary Fund (authorization to expend from debt receipts)	152			1,375,000				1,375,000	1,375,000			
Total, Office of the Secretary		3,180	3,083	4,550,206	3,318	−8,291	−3,498	1,375,196	1,371,698	−634	10	−624
BUREAU OF ACCOUNTS												
Current authorizations:												
Salaries and expenses	604	3,183	3,110	193	3,464	3,048	3,192	185	3,377	3,433	8	3,441
Salaries and expenses, Division of Disbursement	604	17,900	17,281	793	22,280	17,654	17,640	762	18,402	20,791	31	20,822
Claims, judgments, and relief acts	610	12,222	15,737			15,771	16,182		16,182			
Liquidation of Philippine War Damage Commission	152					1						
Liquidation of Economic Stabilization Agency	519					1						
Permanent authorizations:												
Interest on uninvested funds (indefinite)	653	8,397	8,803		9,108	8,397	8,803		8,803	9,108		9,108
Payment to unemployment trust fund (indefinite)	211	39,532			5,612	39,532				5,612		5,612
Claims, judgments, and relief acts	610	4,685	5,000		5,000	4,685	5,000		5,000	5,000		5,000
Permanent private relief acts	610	2	2		2	2	2		2	2		2
Public enterprise funds:												
Fund for payment of Government losses in shipment (current appropriation)	604		50			22	50		50	50		50
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation:												
Salaries and expenses	604			90				81	81		9	9
Salaries and expenses, Division of Disbursement	604			2,669				1,846	1,846		823	823
Total, Bureau of Accounts		85,921	49,983	3,745	45,466	89,113	50,869	2,874	53,743	43,996	871	44,867
BUREAU OF THE PUBLIC DEBT												
Current authorizations:												
Administering the public debt	604	47,565	46,000	1,481	47,500	46,594	46,442	1,416	47,858	47,324	65	47,389
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Administering the public debt	604			469				360	360		109	109
Total, Bureau of the Public Debt		47,565	46,000	1,950	47,500	46,594	46,442	1,776	48,218	47,324	174	47,498
OFFICE OF THE TREASURER												
Current authorizations:												
Salaries and expenses	604	18,040	17,969	412	18,650	17,670	18,041	393	18,434	18,561	19	18,580
Public enterprise funds:												
Check forgery insurance fund	604					1	2		2	−2		−2
Total, Office of the Treasurer		18,040	17,969	412	18,650	17,671	18,043	393	18,436	18,559	19	18,578

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
BUREAU OF CUSTOMS												
Current authorizations:												
Salaries and expenses	604	$49,940	$48,000	$4,255	$53,865	$47,703	$50,153	$4,085	$54,238	$54,526	$170	$54,696
Intragovernmental funds:												
Advances and reimbursements	604					25						
Total, Bureau of Customs		49,940	48,000	4,255	53,865	47,728	50,153	4,085	54,238	54,526	170	54,696
INTERNAL REVENUE SERVICE												
Current authorizations:												
Salaries and expenses	604	337,890	325,500	30,119	365,500	321,538	335,844	28,700	364,544	361,783	1,419	363,202
Permanent authorizations:												
Refunding internal revenue collections, interest (indefinite)	652	73,675	91,776		86,900	73,675	91,776		91,776	86,900		86,900
Coconut oil tax, collections for American Samoa (indefinite special fund)	609	11	12		12	11	12		12	12		12
Internal revenue collections for Puerto Rico (indefinite special fund)	609	18,533	20,000		20,000	18,668	19,800		19,800	20,036		20,036
Total, Internal Revenue Service		430,109	437,288	30,119	472,412	413,892	447,432	28,700	476,132	468,731	1,419	470,150
BUREAU OF NARCOTICS												
Current authorizations:												
Salaries and expenses	608	3,845	3,780	290	4,080	3,737	3,882	272	4,154	4,061	18	4,079
UNITED STATES SECRET SERVICE												
Current authorizations:												
Salaries and expenses	608	3,566	3,461	302	4,100	3,373	3,636	290	3,926	4,084	12	4,096
Salaries and expenses, White House Police	603	908	865	115	1,055	846	930	110	1,040	1,049	5	1,054
Salaries and expenses, Guard Force	604	296	293	30	338	279	307	28	335	336	2	338
Permanent authorizations:												
Contributions for annuity benefits (indefinite)	603	141	265		250	124	282		282	250		250
Total, United States Secret Service		4,911	4,884	447	5,743	4,622	5,155	428	5,583	5,719	19	5,738
BUREAU OF THE MINT												
Current authorizations:												
Salaries and expenses	604	4,365	4,300		4,300	4,221	4,501		4,501	4,276		4,276
Permanent authorizations:												
Minor coinage profits, etc. (indefinite special fund)	604	228	206		270	286	270		270	270		270
Silver profit fund (indefinite special fund)	604	443	351		445	406	470		470	445		445
Total, Bureau of the Mint		5,036	4,857		5,015	4,913	5,241		5,241	4,991		4,991
BUREAU OF ENGRAVING AND PRINTING												
Intragovernmental funds:												
Bureau of Engraving and Printing fund	604					111	2,545		2,545	−678		−678
COAST GUARD												
Current authorizations:												
Operating expenses	511	170,048	171,700	7,200	190,900	171,030	170,126	6,900	177,026	187,987	300	188,287
Acquisition, construction, and improvements	511	15,895	18,150		24,500	12,853	16,135		16,135	16,089		16,089
Retired pay	511	26,038	27,800	700	29,900	26,026	27,787	673	28,460	29,900	27	29,927
Reserve training	511	12,440	15,000		15,000	11,600	14,633		14,633	15,000		15,000
Intragovernmental funds:												
Coast Guard supply fund	511					341	254		254	306		306
Coast Guard yard fund	511					−2,921	1,530		1,530	732		732
Total, Coast Guard		224,421	232,650	7,900	260,300	218,929	230,465	7,573	238,038	250,014	327	250,341
INTEREST ON THE PUBLIC DEBT												
Permanent authorizations:												
Interest on the public debt (indefinite)	651	7,606,774	7,500,000		8,000,000	7,606,774	7,500,000		7,500,000	8,000,000		8,000,000
Total new obligational authority and budget expenditures		8,479,742	8,348,494	4,599,324	8,916,349	8,445,794	8,356,729	1,421,297	9,778,026	8,896,609	3,027	8,899,636

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$727,305	$722,064		$788,732	$8,445,794	$8,356,729			$8,896,609		
Permanent authorizations:												
Appropriations		7,752,437	7,626,430		8,127,617							
Proposed for later transmission:												
Pay increase supplemental appropriations			46,096				44,010			2,086		
Other:												
Appropriations			3,228				2,287			941		
Authorizations to expend from debt receipts			4,550,000				1,375,000					
Total new obligational authority and budget expenditures		8,479,742	12,947,818		8,916,349	8,445,794	9,778,026			8,899,636		
MEMORANDUM												
REFUNDS OF RECEIPTS												
Bureau of Accounts: Refund of moneys erroneously received and covered (permanent indefinite)		$1,158	$1,200		$1,200	$1,158	$1,200			$1,200		
Bureau of Customs: Refunds and drawbacks (permanent indefinite)		17,838	18,000		18,000	17,838	18,000			18,000		
Internal Revenue Service: Refunding internal revenue collections (permanent indefinite)		4,577,982	4,845,107		5,402,200	4,502,517	4,761,107			5,317,200		
Total, refunds of receipts		4,596,978	4,864,307		5,421,400	4,521,513	4,780,307			5,336,400		
STATUTORY PUBLIC DEBT RETIREMENTS												
Cumulative sinking fund (permanent indefinite)		$633,349	$633,349		$633,349							

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		
		1958	1959	1960	1958	1959	1960	1958	1959	1960
OFFICE OF THE SECRETARY										
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund	518	$3,773	$165	$100	$14,991	$6,680	$3,865	−$11,218	−$6,515	−$3,765
Civil defense loans: Civil defense program fund	520	22	20	17	168	179	174	−146	−159	−157
Total, Office of the Secretary		3,795	185	117	15,159	6,859	4,039	−11,364	−6,674	−3,922
BUREAU OF ACCOUNTS										
Fund for payment of Government losses in shipment	604	34	51	51	11	1	1	22	50	50
OFFICE OF THE TREASURER										
Check forgery insurance fund	604	143	145	140	142	142	141	1	2	−2
Total, public enterprise funds		3,972	381	308	15,312	7,002	4,181	−11,341	−6,622	−3,874

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ANALYSIS OF UNEXPENDED BALANCES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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		$129		$244		$165	$3,300	$3,114	$160		$191
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 fund)	3	4	5	6	2	3	18	15	3	2	3
Federal control of transportation systems (indefinite special fund)	56	56	51	51	45	45			6	39	39
Public enterprise funds:											
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund	5,634	10,550	510	4,576	440	3,930			−3,765	405	[1] 3,310
Civil defense loans: Civil defense program fund:											
Cash		62		13		7			−157		4
Authorization to expend from debt receipts	246,290	248,935	246,597	249,130	246,784	249,295				247,222	249,455
Intragovernmental funds:											
Advances and reimbursements		3	3	3							
Proposed for later transmission (other than pay increase supplementals):											
Under proposed legislation: Investment in International Bank for Reconstruction and Development: Authorization to expend from debt receipts					3,175,000	3,175,000				3,175,000	3,175,000
Total, Office of the Secretary	2,791,983	2,799,739	2,787,165	2,794,023	5,962,271	5,968,445	3,318	3,129	−3,753	5,962,668	5,968,002
BUREAU OF ACCOUNTS											
Current authorizations:											
Salaries and expenses		217		348		269	3,464	3,172	269		292
Salaries and expenses, Division of Disbursement		2,923		3,213		2,797	22,280	18,025	2,797		4,255
Claims, judgments, and relief acts		4,006		445							
Permanent authorizations:											
Interest on uninvested funds (indefinite)							9,108	9,108			
Payment to unemployment trust fund (indefinite)							5,612	5,612			
Claims, judgments, and 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)	94	113	74	90	74	90			50	24	40
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation:											
Salaries and expenses						9			9		
Salaries and expenses, Division of Disbursement						823			823		
Total, Bureau of Accounts	94	7,259	74	4,096	74	3,988	45,466	40,919	3,948	24	4,587
BUREAU OF THE PUBLIC DEBT											
Current authorizations:											
Administering the public debt		4,194		5,148		4,717	47,500	42,765	4,624		4,828
Proposed for later transmission (other than pay increase supplementals):											
Under existing legislation: Administering the public debt						109			109		
Total, Bureau of the Public Debt		4,194		5,148		4,826	47,500	42,765	4,733		4,828
OFFICE OF THE TREASURER											
Current authorizations:											
Salaries and expenses		419		769		700	18,650	17,890	690		770
Public enterprise funds:											
Check forgery insurance fund	45	28	44	27	44	25			−2	43	27
Total, Office of the Treasurer	45	447	44	796	44	725	18,650	17,890	688	43	797

[1] Excludes capital transfer in 1960 of $4,385 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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
BUREAU OF CUSTOMS											
Current authorizations:											
Salaries and expenses	$300	$6,059	$300	$8,454	$300	$6,267	$53,865	$49,369	$5,327	$300	$5,436
Intragovernmental funds:											
Advances and reimbursements		25									
Total, Bureau of Customs	300	6,084	300	8,454	300	6,267	53,865	49,369	5,327	300	5,436
INTERNAL REVENUE SERVICE											
Current authorizations:											
Salaries and expenses		15,115		31,680		21,936	365,500	343,774	19,428		24,234
Permanent authorizations:											
Refunding internal revenue collections, interest (indefinite)							86,900	86,900			
Coconut oil tax, collections for American Samoa (indefinite special fund)							12	12			
Internal revenue collections for Puerto Rico (indefinite special fund)		1,821		1,686		1,886	20,000	18,150	1,886		1,850
Total, Internal Revenue Service		16,936		33,366		23,822	472,412	448,836	21,314		26,084
BUREAU OF NARCOTICS											
Current authorizations:											
Salaries and expenses		224		329		245	4,080	3,834	245		246
UNITED STATES SECRET SERVICE											
Current authorizations:											
Salaries and expenses		171		366		177	4,100	3,919	177		181
Salaries and expenses, White House Police		37		98		38	1,055	1,016	38		39
Salaries and expenses, guard force		12		25		13	338	325	13		13
Permanent authorizations:											
Contributions for annuity benefits (indefinite)				17			250	250			
Total, United States Secret Service		220		506		228	5,743	5,510	228		233
BUREAU OF THE MINT											
Current authorizations:											
Salaries and expenses		457		597		396	4,300	3,880	396		420
Permanent authorizations:											
Minor coinage profits, etc. (indefinite special fund)	322	322	264	264	200	200	270	70	200	200	200
Silver profit fund (indefinite special fund)	282	282	319	319	200	200	445	245	200	200	200
Total, Bureau of the Mint	604	1,061	583	1,180	400	796	5,015	4,195	796	400	820
BUREAU OF ENGRAVING AND PRINTING											
Intragovernmental funds:											
Bureau of Engraving and Printing fund	16	4,461	−1,192	4,350	−2,868	1,804			−678	−2,195	2,482
COAST GUARD											
Current authorizations:											
Operating expenses		24,053		22,814		23,577	190,900	164,710	23,577		26,190
Acquisition, construction, and improvements	14,973	23,993	4,368	31,958		29,050	24,500	2,450	13,639		37,461
Retired pay		102		87		127	29,900	29,800	127		100
Reserve training		1,318		2,133		2,500	15,000	12,500	2,500		2,500
Intragovernmental funds:											
Coast Guard supply fund	1,135	2,507	1,178	2,166	927	1,912			306	621	1,606
Coast Guard yard fund	64	1,741	1,903	4,662	1,024	3,132			732	390	2,400
Total, Coast Guard	16,172	53,714	7,449	63,821	1,951	60,298	260,300	209,460	40,881	1,011	70,257

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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 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							New obligational authority	Estimated expenditures from—			
	Unobligated	Total	Unobligated	Total	Unobligated	Total		New obligational authority	Balances of prior authority	Unobligated	Total
INTEREST ON THE PUBLIC DEBT											
Permanent authorizations:											
Interest on the public debt							$8,000,000	$8,000,000			
Total, Treasury Department	$2,809,214	$2,894,339	$2,794,423	$2,916,069	$5,962,172	$6,071,444	8,916,349	8,825,907	$73,729	$5,962,251	[1]$6,083,772
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$15,936	$85,914	$5,309	$111,052	$747	$95,308				$741	$109,448
Balances of anticipated pay increase supplementals not identified above						−2,086					
Subtotal	15,936	85,914	5,309	111,052	747	93,222	$8,916,349	$8,825,907	$70,702	741	109,448
Authorizations to expend from debt receipts	2,786,290	2,788,935	2,786,597	2,789,130	2,786,784	2,789,295				2,787,222	2,789,455
Revolving and management funds	6,988	19,490	2,517	15,887	−359	10,900				−712	[1] 9,869
Proposed for later transmission:											
Appropriations						941					
Balances of anticipated pay increase supplementals not identified above						2,086			3,027		
Authorizations to expend from debt receipts					3,175,000	3,175,000				3,175,000	3,175,000
Subtotal					3,175,000	3,178,027				3,175,000	3,175,000
Total, Treasury Department	2,809,214	2,894,339	2,794,423	2,916,069	5,962,172	6,071,444	8,916,349	8,825,907	73,729	5,962,251	[1]6,083,772

[1] Excludes capital transfer in 1960 of $4,385 thousand.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$85,914	$111,052	$93,222
Authorizations to expend from debt receipts	2,788,935	2,789,130	2,789,295
Revolving and management funds	19,490	15,887	10,900
Proposed for later transmission:			
Pay increase supplemental appropriations			2,086
Other:			
Appropriations			941
Authorizations to expend from debt receipts			3,175,000
Total balances brought forward	2,894,339	2,916,069	6,071,444
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	727,305	722,064	788,732
Permanent authorizations: Appropriations	7,752,437	7,626,430	8,127,617
Total new obligational authority enacted or recommended	8,479,742	8,348,494	8,916,349
Proposed for later transmission:			
Pay increase supplemental appropriations		46,096	
Other:			
Appropriations		3,228	
Authorizations to expend from debt receipts		4,550,000	
Total new obligational authority proposed for later transmission		4,599,324	
Total new obligational authority	8,479,742	12,947,818	8,916,349
Other amounts available:			
Net transfers of balances to (−) other agencies	−5,066		
Appropriations available in prior years		−7,254	
Appropriations available from subsequent year	7,254		
Total other amounts available	2,188	−7,254	
Total budget authorizations available	11,376,269	15,856,633	14,987,793
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	8,445,794	8,356,729	8,825,907
Out of balances of prior obligational authority			70,702
Total expenditures from obligational authority enacted or recommended	8,445,794	8,356,729	8,896,609
From obligational authority proposed for later transmission:			
Pay increase supplemental appropriations		44,010	2,086
Other:			
Out of new obligational authority		1,377,287	
Out of balances of prior obligational authority			941
Total expenditures from obligational authority proposed for later transmission		1,421,297	3,027
Total budget expenditures	8,445,794	9,778,026	8,899,636
Amounts no longer available:			
Unobligated balances expiring and lapsing	697		
Capital transfers from revolving funds to receipt accounts	12,125	7,161	4,385
Adjustment of balances downward in expired accounts, net	1,582		
Total amounts no longer available	14,404	7,161	4,385
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	111,052	93,222	109,448
Authorizations to expend from debt receipts	2,789,130	2,789,295	2,789,455
Revolving and management funds	15,887	10,900	9,869
Proposed for later transmission:			
Pay increase supplemental appropriations		2,086	
Other:			
Appropriations		941	
Authorizations to expend from debt receipts		3,175,000	3,175,000
Total balances carried forward at close of year	2,916,069	6,071,444	6,083,772
Obligations incurred, net	$8,488,965	$9,765,654	$8,911,885

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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; [$3,068,000] *$3,300,000. (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, 1959.)*

Appropriated 1959, **$3,068,000** Estimate 1960, **$3,300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction	$1,328,452	$1,425,190	$1,425,600
2. Administration and coordination of legal services	318,699	365,665	365,600
3. General administrative services	726,558	683,770	684,940
4. Operation and maintenance of Treasury buildings	727,834	731,855	756,640
5. Employee health program	64,717	67,220	67,220
6. 1959 program obligated in 1958	7,994	−7,994	
Total obligations	3,174,254	3,265,706	3,300,000
Financing:			
Comparative transfers from (−) other accounts	−3,464		
1959 appropriation available in 1958	−7,994	7,994	
Unobligated balance no longer available	1,288		
New obligational authority	3,164,084	3,273,700	3,300,000
New obligational authority:			
Appropriation	$3,152,104	$3,068,000	$3,300,000
Transferred from "Salaries and expenses," Bureau of Accounts (Reorganization Plan No. 26 of 1950)	11,980		
Appropriation (adjusted)	3,164,084	3,068,000	3,300,000
Proposed supplemental due to pay increases		205,700	

2. *Administration and coordination of legal services.*—The General Counsel, as the chief law officer of the Department, coordinates its legal service. This includes providing service for organizational units which do not maintain legal staffs, and supervising 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	433	420	418
Full-time equivalent of all other positions	2	1	1
Average number of all employees	416	406	406
Number of employees at end of year	423	404	404
Average GS grade and salary	8.1 $6,768	8.2 $7,151	8.2 $7,244
Average salary of ungraded positions	$4,156	$4,321	$4,348
01 Personal services:			
Permanent positions	$2,572,782	$2,698,410	$2,714,265
Positions other than permanent	8,813	3,000	3,000
Other personal services	56,554	37,955	48,660
Total personal services	2,638,149	2,739,365	2,765,925
02 Travel	16,180	16,000	16,000
03 Transportation of things	117	100	100
04 Communication services	53,374	55,700	55,700
05 Rents and utility services	62,662	62,700	62,700
06 Printing and reproduction	14,833	14,800	14,800
07 Other contractual services	20,525	21,300	21,300
Services performed by other agencies	120,170	120,220	120,220
08 Supplies and materials	62,038	58,600	58,600
09 Equipment	19,026	11,335	11,335
11 Grants, subsidies, and contributions	156,961	171,480	171,220
13 Refunds, awards, and indemnities	630	600	600
15 Taxes and assessments	1,595	1,500	1,500
1959 program obligated in 1958	7,994	−7,994	
Total obligations	3,174,254	3,265,706	3,300,000

INVESTMENT IN INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$2,540,000,000	$2,540,000,000	$2,540,000,000
Unobligated balance carried forward (authorization to expend from public 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% ($635 million) of its subscription in cash and non-interest-bearing, nonnegotiable notes. The remaining 80% ($2,540 million) will not be called unless required to meet the Bank's obligations. Calls on unpaid subscriptions must be a uniform percentage of the amounts subscribed by each member country.

A supplemental appropriation for 1959 is anticipated under Proposed for later transmission.

Permanent authorizations:

OFFICE OF THE SECRETARY PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1959, **$15,000** Estimate 1960, **$18,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. "Expenses of administration of settlement of War Claims Act of 1928"	$14,147	$17,761	$18,096
2. "Federal control of transportation systems"	5,179	5,874	5,874
Total obligations	19,326	23,635	23,970
Financing:			
Unobligated balance brought forward	−59,274	−55,448	−46,813
Unobligated balance carried forward	55,448	46,813	40,843
Appropriation (new obligational authority): "Expenses of administration of settlement of War Claims Act of 1928"	15,500	15,000	18,000

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 World War I period of Federal control and for related administrative expenses.

Object Classification

	1958 actual	1959 estimate	1960 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 grade and salary	5.5 $4,865	6.0 $5,145	6.0 $5,247
01 Personal services:			
Permanent positions	$17,069	$20,634	$20,867
Other personal services	79	80	160
Total personal services	17,148	20,714	21,027
07 Other contractual services	62	75	75
11 Grants, subsidies, and contributions	1,069	1,346	1,368
13 Refunds, awards, and indemnities	1,047	1,500	1,500
Total obligations	19,326	23,635	23,970

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OFFICE OF THE SECRETARY—Continued

Public enterprise funds:

LIQUIDATION OF CORPORATE ASSETS

The Secretary of the Treasury 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] *1960* for the following functions, except as hereinafter provided: (*Treasury-Post Office Appropriation Act, 1959.*)

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Liquidation of lending program	$243,575	$165,000	$100,000
Decrease in valuation allowances on loans (−)	−542,244	−245,000	−190,000
Writeoff of loans		245,000	190,000
Total program costs	−298,669	165,000	100,000
Unfunded adjustment to total operating costs:			
Decrease in valuation allowances	542,244	245,000	190,000
Writeoff of loans (−)		−245,000	−190,000
Total program (costs—obligations)	243,575	165,000	100,000
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Loans repaid	9,321,398	4,797,047	2,150,000
Revenue	2,119,393	1,825,000	1,690,000
Adjustment of prior year revenue	14,481		
Recovery of prior year obligations	798,586	634,073	610,000
Total amounts becoming available	12,253,858	7,256,120	4,450,000
Unobligated balance brought forward	5,633,753	510,115	440,000
Transferred (Reorganization Plan No. 1 of 1957) to—			
"Liquidation of Reconstruction Finance Corporation loans," 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	12,878,690	7,766,235	4,890,000
Capital transfer (repayment of investment to Treasury) (−)	−12,125,000	−7,161,235	−4,385,000
Unobligated balance carried forward	−510,115	−440,000	−405,000
Financing applied to program	243,575	165,000	100,000

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 to the Administrator of Small Business, the Housing and Home Finance Administrator, the Administrator of General Services, and the Secretary of the Treasury. After giving effect to 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.—Liquidation transactions in 1958 produced net budget receipts of $11.2 million and it is estimated that transactions in 1959 and 1960 will produce net budget receipts of $6.5 and $3.8 million, respectively.

The progress made and anticipated in the liquidation of loans, securities, and loan obligations transferred to Treasury is summarized in the following table:

[In millions]

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Outstanding at end of year:				
Financial institutions	$4.8	$1.8	-----	-----
Railroads	8.5	6.4	$6.1	$5.6
Other business enterprises:				
Loans	36.9	32.7	29.8	27.9
Undisbursed authorizations	.8	.8	.8	.8
Deferred participation commitments	4.5	3.6	3.0	2.4
Total	55.5	45.3	39.7	36.7

A limitation is placed on administrative expenses. The reduction of $65,000 from 1959 to 1960 is attributable to a declining workload.

Operating results.—Excess proceeds of liquidation are paid into the Treasury as miscellaneous receipts. During 1958 these receipts amounted to $12.1 million and it is estimated that $7.2 million and $4.4 million will be paid in 1959 and 1960, respectively.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$243,575	$165,000	$100,000
Working capital transferred to other agencies (Reorganization Plan No. 1 of 1957)	3,529,028		
Total gross expenditures	3,772,603	165,000	100,000
Receipts from operations (funds provided):			
Loans repaid	9,321,398	4,797,047	2,150,000
Revenue	2,119,393	1,825,000	1,690,000
Adjustment of prior year revenue	14,481		
Decrease in selected working capital	3,535,527	57,853	25,000
Total receipts from operations	14,990,799	6,679,900	3,865,000
Budget expenditures	−11,218,196	−6,514,900	−3,765,000

Revenue, Expense, and Retained Earnings

Revenue	$2,119,393	$1,825,000	$1,690,000
Expense	243,575	165,000	100,000
Total operating income	1,875,818	1,660,000	1,590,000
Nonoperating income or loss (−):			
Decrease in valuation allowances on loans	542,244	245,000	190,000
Writeoff of loans		−245,000	−190,000
Net nonoperating income or loss (−)	542,244		
Net income for the year	2,418,062	1,660,000	1,590,000
Analysis of equity of Treasury:			
Equity of Treasury, beginning of year	68,744,065	36,066,235	30,565,000
Repayment of investment to Treasury (−)	−12,125,000	−7,161,235	−4,385,000
Transferred (Reorganization Plan No. 1 of 1957) to—			
"Liquidation of Reconstruction Finance Corporation loans," 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	14,481		
Equity of Treasury, end of year	36,066,235	30,565,000	27,770,000

Financial Condition

Assets:			
Cash with Treasury	$4,576,335	$3,930,000	$3,310,000
Accounts receivable	462,330	410,000	380,000
Collateral acquired in liquidation of loans (at lower of cost or appraised values)	48,841	30,000	25,000
Loans receivable, net	31,112,047	26,315,000	24,165,000
Total assets	36,199,553	30,685,000	27,880,000
Liabilities:			
Current	133,318	120,000	110,000
Government investment:			
Non-interest-bearing capital: Equity of Treasury	36,066,235	30,565,000	27,770,000

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Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$10,549,630	$4,576,335	$3,930,000	$3,310,000
Obligated balance, net: Current liabilities	400,714	133,318	120,000	110,000
Undisbursed loan obligations	8,829,257	4,444,073	3,810,000	3,200,000
Accounts and other receivables, net (−)	−4,314,094	−511,171	−440,000	−405,000
Total obligated balance	4,915,877	4,066,220	3,490,000	2,905,000
Unobligated balance	5,633,753	510,115	440,000	405,000

Limitation on Administrative Expenses, Reconstruction Finance Corporation Liquidation Fund

Not to exceed [$160,000] *$95,000* (to be computed on an accrual basis) of the funds derived from 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 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 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 shall be made in accordance with generally recognized accounting principles and practices. (*Treasury-Post Office Appropriation Act, 1959.*)

Program and Financing

	1958 actual	1959 estimate	1959 estimate
Program by activities:			
Liquidation of lending program	$207,660	$165,000	$95,000
Deduct portion not chargeable to limitation	10,295	5,000	
Total accrued administrative expenses	197,365	160,000	95,000
Financing:			
Limitation	800,000	160,000	95,000
Transferred (Reorganization Plan No. 1 of 1957) to—			
"Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund," General Services Administration	−55,000		
"Salaries and expenses," Small Business Administration	−408,000		
"Limitation on administrative expenses, Office of the Administrator, revolving fund (liquidating programs)," Housing and Home Finance Agency	−22,000		
Limitation (adjusted)	315,000	160,000	95,000
Unobligated balance no longer available	−117,635		
Total accrued administrative expenses	197,365	160,000	95,000

Object Classification

	1958 actual		1959 estimate		1959 estimate	
Total number of permanent positions	40		15		12	
Average number of all employees	21		15		9	
Number of employees at end of year	14		12		8	
Average GS grade and salary	9.3	$7,308	9.6	$8,572	9.3	$8,299
01 Personal services:						
Permanent positions	$151,465		$128,100		$80,000	
Other personal services	15,385		400		700	
Total personal services	166,850		128,500		80,700	
02 Travel	462		1,000		1,000	
03 Transportation of things	251		200		100	

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
04 Communication services	$1,780	$2,000	$1,500
05 Rents and utility services	6,026		
06 Printing and reproduction	619	12,500	500
07 Other contractual services	1,736	1,500	800
General Accounting Office audit expense	8,000	4,000	4,000
Services performed by other agencies	1,068	1,000	500
08 Supplies and materials	1,252	1,000	700
09 Equipment	173		
11 Grants, subsidies, and contributions	9,145	8,300	5,200
15 Taxes and assessments	3		
Total accrued administrative expenses	197,365	160,000	95,000

Civil Defense Loans

CIVIL DEFENSE PROGRAM FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Interest on borrowing	$21,441	$18,000	$15,000
Increase in commitment previously authorized		135,000	
Total obligations	21,441	153,000	15,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Loan repayments	96,256	114,033	116,000
Interest on loans	71,545	65,000	58,000
Total amounts becoming available	167,801	179,033	174,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	246,289,937	246,596,943	246,783,970
Recovery of prior year obligations	160,646	160,994	279,000
Total amounts available	246,618,384	246,936,970	247,236,970
Unobligated balance carried forward (authorization to expend from public debt receipts)	−246,596,943	−246,783,970	−247,221,970
Financing applied to program	21,441	153,000	15,000

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 Director, Office of Civil and Defense Mobilization (50 App. U. S. C. 2261, 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 primary program cost continues to be the payment of interest on borrowings from Treasury. During 1959 an increase of $135,000 is anticipated in a deferred participation commitment authorized in a prior year. So far all loans and commitments have been made to assist in financing construction of hospitals. As of June 30, 1958, there were outstanding $1,111,033 in loans and $2,538,994 in commitments to participate in loans made by banks wherein disbursement of Treasury funds is deferred. It is estimated by the close of 1960 that the loans will be reduced to $881,000 and the deferred participation commitments to $2,234,000.

No loans were authorized in 1958 and it is anticipated that there will be no additional loans authorized during 1959 and 1960.

Financing.—Program activities are financed from borrowings from Treasury. The unobligated balance of such authority at the end of 1960 is estimated to increase slightly to $247.2 million.

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OFFICE OF THE SECRETARY—Continued

Public enterprise funds—Continued

CIVIL DEFENSE LOANS—Continued

CIVIL DEFENSE PROGRAM FUND—continued

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense	$21,441	$18,000	$15,000
Increase in selected working capital	264	1,807	2,000
Total gross expenditures	21,705	19,807	17,000
Receipts from operations (funds provided):			
Loan repayments	96,256	114,033	116,000
Revenue	71,545	65,000	58,000
Total receipts from operations	167,801	179,033	174,000
Budget expenditures	−146,096	−159,226	−157,000

Revenue, Expense, and Retained Earnings

Revenue	$71,545	$65,000	$58,000
Expense	21,441	18,000	15,000
Net income for the year	50,104	47,000	43,000
Retained earnings, beginning of year	196,866	246,970	293,970
Retained earnings, end of year	246,970	293,970	336,970

Financial Condition

Assets:			
Cash with Treasury	$12,744	$6,970	$3,970
Accounts receivable	2,699	3,000	3,000
Loans receivable	1,111,033	997,000	881,000
Total assets	1,126,476	1,006,970	887,970
Liabilities:			
Current	9,506	8,000	6,000
Government investment:			
Interest-bearing capital:			
Start of year	1,065,000	870,000	705,000
Borrowings from Treasury during year, net (−)	−195,000	−165,000	−160,000
End of year	870,000	705,000	545,000
Retained earnings	246,970	293,970	336,970
Total Government investment	1,116,970	998,970	881,970

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash	$61,648	$12,744	$6,970	$3,970
Budget authorization	248,935,000	249,130,000	249,295,000	249,455,000
Total unexpended balance	248,996,648	249,142,744	249,301,970	249,458,970
Obligated balance, net:				
Current liabilities	11,694	9,506	8,000	6,000
Undisbursed loan obligations	2,699,640	2,538,994	2,513,000	2,234,000
Accounts receivable, net (−)	−4,623	−2,699	−3,000	−3,000
Total obligated balance	2,706,711	2,545,801	2,518,000	2,237,000
Unobligated balance	246,289,937	246,596,943	246,783,970	247,221,970

Object Classification

	1958 actual	1959 estimate	1960 estimate
14 Interest	$21,441	$18,000	$15,000
16 Investments and loans		135,000	
Total obligations	21,441	153,000	15,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Executive direction	$55,545	$25,270	$24,170
2. Administration and coordination of legal services	9,037	9,530	9,530
3. General administrative services	84,545	162,820	162,820
4. Operation and maintenance of Treasury buildings	23,745	18,000	18,000
5. Employee health program	3,450	3,580	3,580
Total obligations	176,322	219,200	218,100
Financing:			
Unobligated balance brought forward	19	2,787	
Advances and reimbursements from other accounts	179,090	216,413	218,100
Unobligated balance carried forward	−2,787		
Total financing	176,322	219,200	218,100

Object Classification

Total number of permanent positions		19		27		27
Average number of all employees		12		25		25
Number of employees at end of year		12		23		23
Average GS grade and salary	8.1	$6,768	8.2	$7,137	8.2	$7,215
Average salary of ungraded positions		$4,156		$4,321		$4,348
01 Personal services:						
Permanent positions		$75,952		$113,310		$112,200
Other personal services				7,000		7,000
Total personal services		75,952		120,310		119,200
02 Travel		944				
04 Communication services		40,574		41,500		41,500
05 Rents and utility services		31,430		28,160		28,170
06 Printing and reproduction		284				
07 Other contractual services		261		340		340
Services performed by other agencies		3,450		3,580		3,580
08 Supplies and materials		19,881		19,310		19,310
11 Grants, subsidies, and contributions		3,546		5,910		5,910
15 Taxes and assessments				90		90
Total obligations		176,322		219,200		218,100

Proposed for later transmission:

INVESTMENT IN INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)			−$3,175,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)		$3,175,000,000	3,175,000,000
Proposed supplemental authorization to expend from public debt receipts		3,175,000,000	

Under proposed legislation, 1959.—At the recent annual meeting of the members of the International Bank for Reconstruction and Development, it was unanimously agreed to consider plans to increase the subscription of each member of the bank. Legislation will therefore be proposed to provide for the increase in the United States subscription. This additional obligational authority is in the nature of a guaranty and is not expected to require budget outlays.

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INVESTMENT IN INTERNATIONAL MONETARY FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Investment in international monetary fund (total obligations)		$1,375,000,000	
Financing:			
Proposed supplemental authorization to expend from public debt receipts		1,375,000,000	

Under proposed legislation, 1959.—At the recent annual meeting of the members of the International Monetary Fund, it was unanimously agreed to consider plans to increase the quota of each member of the fund. Legislation will therefore be proposed to authorize the increase in the United States subscription. Of the $1,375,000,000 increase anticipated, $343,750,000 will be paid in gold and the balance of $1,031,250,000 will be represented by non-interest-bearing notes issued by the Secretary of the Treasury.

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, [$3,110,000] *$3,464,000. (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, 1959.)*

Appropriated 1959, **$3,110,000** Estimate 1960, **$3,464,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Processing deposits of withheld tax payments	$1,080,371	$1,104,194	$1,257,967
2. Financial reporting and maintenance of the Government's central accounts	1,472,281	1,542,099	1,547,273
3. Accounting and reporting development and internal audit	195,795	208,376	209,140
4. Processing investments, loans, claims, collections, and surety bonds	173,140	181,420	182,117
5. Supervision of the Federal depositary system	152,934	164,277	164,897
6. Executive direction	96,575	102,234	102,606
7. 1959 program obligated in 1958	4,999	−4,999	
Total obligations	3,176,095	3,297,601	3,464,000
Financing:			
Comparative transfers to other accounts	3,464		
1959 appropriation available in 1958	−4,999	4,999	
Unobligated balance no longer available	8,060		
New obligational authority	3,182,620	3,302,600	3,464,000
New obligational authority:			
Appropriation	$3,194,600	$3,110,000	$3,464,000
Transferred to "Salaries and expenses," Office of the Secretary (Reorganization Plan No. 26 of 1950)	−11,980		
Appropriation (adjusted)	3,182,620	3,110,000	3,464,000
Proposed supplemental due to pay increases		192,600	

1. *Processing deposits of withheld tax payments.*—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 $1,257,967 obligations estimated for 1960, $582,000 will be recovered and credited to miscellaneous receipts by charges against the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund. The work volume is estimated at 9,200,000 depositary receipts in 1959 and 9,610,000 in 1960 as compared with 9,173,613 in 1958.

2. *Financial reporting and maintenance of the Government's central accounts.*—This activity includes the maintenance of central accounts of appropriations, receipts, and expenditures which provide data for financial statements. It also includes the preparation and publication 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 4,717,000 in 1959 and 1960 as compared with 4,716,736 in 1958.

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 funds, and various Government retirement funds. The work includes accounting for purchases, sales, and redemptions 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 273,415 for 1960 as compared with 265,905 in 1959 and 256,695 in 1958.

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 1960 as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Number of depositaries utilized	3,964	4,080	4,175
Agency authorizations in effect at end of year	8,404	8,500	8,600

A supplemental appropriation is anticipated for 1959 and is shown under Proposed for later transmission.

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	342		339		336	
Average number of all employees	335		332		329	
Number of employees at end of year	329		332		329	
Average GS grade and salary	6.1	$5,096	6.3	$5,696	6.3	$5,737
01 Personal services:						
Permanent positions	$1,788,732		$1,891,192		$1,891,192	
Other personal services	12,354		9,916		16,475	
Total personal services	1,801,086		1,901,108		1,907,667	
02 Travel	4,855		4,000		4,000	
03 Transportation of things	2,544		2,400		2,400	

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BUREAU OF ACCOUNTS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
04 Communication services	$17,003	$22,264	$23,364
05 Rents and utility services	49,392	51,000	51,000
06 Printing and reproduction	121,563	125,902	128,810
07 Other contractual services	16,335	16,000	16,000
Services performed by Federal Reserve banks	1,015,519	1,034,080	1,184,913
08 Supplies and materials	9,378	10,440	10,440
09 Equipment	21,188	11,500	11,500
11 Grants, subsidies, and contributions	110,963	123,636	123,636
13 Refunds, awards, and indemnities	1,015		
15 Taxes and assessments	255	270	270
1959 program obligated in 1958	4,999	−4,999	
Total obligations	3,176,095	3,297,601	3,464,000

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, [$17,300,000] *$22,280,000. (E. O. 6166, sec. 4, June 10, 1933 (note following 5 U. S. C. 124–132); 31 U. S. C. 157; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$17,300,000** Estimate 1960, **$22,280,000**
Appropriated (adjusted) 1959, **$17,281,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Processing payments	$17,601,428	$17,780,282	$22,005,449
2. Issuance of savings bonds	289,261	293,553	274,551
3. 1959 program obligated in 1958	87,581	−87,581	
Total obligations	17,978,270	17,986,254	22,280,000
Financing:			
Comparative transfers from (−) other accounts	−19,400		
1959 appropriation available in 1958	−87,581	87,581	
Unobligated balance no longer available	28,320		
New obligational authority	17,899,609	18,073,835	22,280,000
New obligational authority:			
Appropriation	$17,354,884	$17,300,000	$22,280,000
Transferred to "Salaries and expenses" Office of the Treasurer (Reorganization Plan No. 26 of 1950)	−9,275	−19,000	
Transferred from—			
"Administering the public debt" (Reorganization Plan No. 26 of 1950)	354,000		
"Salaries and expenses," Internal Revenue Service (71 Stat. 39)	200,000		
Appropriation (adjusted)	17,899,609	17,281,000	22,280,000
Proposed supplemental due to pay increases		792,835	

The Division of Disbursement, through its 22 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 increase in 1960 is due to salary increases, postal rate increases, and additional work volume (20.6 million more payments than 1959).

The funds required are determined by multiplying the volume of work or the number of units to be processed by the unit cost per item as shown in the following tables:

WORK VOLUME

	1958 actual	*1959 estimate*	*1960 estimate*
1. Processing payments	257,743,090	259,000,000	279,580,000
2. Issuance of savings bonds	2,933,491	3,000,000	3,000,000

UNIT COST

1. Processing payments	$0.0682	$0.0774	$0.0787
2. Issuance of savings bonds	.0987	.0983	.0915

A supplemental appropriation is anticipated for 1959 and is shown under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1,770	1,777	1,830
Full-time equivalent of all other positions	249	161	183
Average number of all employees	1,967	1,866	1,950
Number of employees at end of year	1,851	1,802	1,855
Average GS grade and salary	3.5 $3,782	3.6 $4,235	3.5 $4,266
01 Personal services:			
Permanent positions	$6,811,942	$7,204,766	$7,477,977
Positions other than permanent	675,048	525,499	601,789
Other personal services	161,884	57,960	82,929
Total personal services	7,648,874	7,788,225	8,162,695
02 Travel	29,147	30,500	35,479
03 Transportation of things	77,424	78,900	84,486
04 Communication services	6,692,153	7,261,027	10,559,061
05 Rents and utility services	562,376	770,301	952,055
06 Printing and reproduction	48,794	49,500	51,649
Purchase of blank checks	616,820	709,143	773,015
07 Other contractual services	98,149	78,696	78,312
Services performed by other agencies	874,036	41,812	
08 Supplies and materials	793,943	727,154	924,987
09 Equipment	16,974	51,500	152,222
11 Grants, subsidies, and contributions	406,664	472,077	491,039
13 Refunds, awards, and indemnities	2,542		
15 Taxes and assessments	22,793	15,000	15,000
1959 program obligated in 1958	87,581	−87,581	
Total obligations	17,978,270	17,986,254	22,280,000

CLAIMS, JUDGMENTS, AND RELIEF ACTS

Appropriated (est.) 1959, **$20,737,193** Estimate 1960, **$5,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)	$16,918,375	$20,737,193	$5,000,000
Financing:			
Recovery of prior year obligations	−23,208		
Unobligated balance no longer available	11,974		
Appropriation (new obligational authority):			
Current definite	12,221,971	15,737,193	
Permanent indefinite	4,685,170	5,000,000	5,000,000

Appropriations are made for payment of claims and interest for damages not chargeable to appropriations of individual agencies and for payment of private relief acts. Appropriations are made individually for judgments over $100,000 while 31 U. S. C. 724a authorizes a permanent indefinite appropriation to pay judgments of $100,000 or less from the general funds of the Treasury.

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$16,623,873	$20,437,193	$4,700,000
14 Interest	294,502	300,000	300,000
Total obligations	16,918,375	20,737,193	5,000,000

Permanent authorizations:

INTEREST ON UNINVESTED FUNDS

(Indefinite)

Appropriated (est.) 1959, **$8,802,800** Estimate 1960, **$9,108,400**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of awards (total obligations)	$8,397,008	$8,802,800	$9,108,400
Financing:			
Appropriation (new obligational authority)	8,397,008	8,802,800	9,108,400

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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. 725s; 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 (%)	*1958 actual*	*1959 estimate*	*1960 estimate*
Bequest of Gertrude M. Hubbard, Library of Congress	4	$800	$800	$800
Library of Congress trust fund	4	146,942	169,000	176,000
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	2,422,611	2,600,000	2,900,000
Indian tribal funds	3.5	5,542,458	5,750,000	5,750,000
Oliver Wendell Holmes devise fund	3.5	14,197	13,000	11,600
Total obligations	---	8,397,008	8,802,800	9,108,400

Object Classification

	1958 actual	1959 estimate	1960 estimate
14 Interest	$8,397,008	$8,802,800	$9,108,400

Payment to Unemployment Trust Fund

(Indefinite)

Estimate 1960, **$5,612,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities: Payment to unemployment trust fund (total obligations)	$39,532,082	----------	$5,612,000
Financing: Appropriation (new obligational authority)	39,532,082	----------	5,612,000

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 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 million and the remainder is allocated to the trust accounts of the various States (68 Stat. 668). This payment is determined as follows:

	1958	*1959*	*1960*
Estimated Federal unemployment tax receipts	$337,500,000	$332,000,000	$344,000,000
Less:			
Tax refunds, including interest	2,810,113	2,770,000	2,870,000
Adjustment of prior year estimate	1,058,114	−267,521	----------
Adjusted tax receipts	333,631,773	329,497,521	341,130,000
Less expense incurred:			
Internal Revenue Service	3,577,219	3,879,000	3,879,000
Other Treasury bureaus	18,126	20,000	20,000
Department of Labor:			
Grants to States	290,376,346	322,182,000	324,367,000
Administrative expenses	128,000	6,703,000	7,252,000
Excess of expenses over receipts	----------	3,286,479	----------
Payment to unemployment trust fund	39,532,082	----------	5,612,000

Legislation will be proposed to provide trust fund financing for the employment security program. Enactment of this legislation will result in all unemployment tax receipts being placed directly into a trust account, and will eliminate the need for the payment to the unemployment trust fund.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$39,532,082	----------	$5,612,000

Permanent Private Relief Acts

Appropriated 1959, **$1,620** Estimate 1960, **$1,620**

Program and Financing

	1958 actual	1959 estimate	1960 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

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$1,620	$1,620	$1,620

Refund of Moneys Erroneously Received and Covered

(Indefinite)

Appropriated (est.) 1959, **$1,200,000** Estimate 1960, **$1,200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities: Payment of claims (total obligations)	$1,157,557	$1,200,000	$1,200,000
Financing: Appropriation (new obligational authority)	1,157,557	1,200,000	1,200,000

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

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$1,157,557	$1,200,000	$1,200,000

Public enterprise funds:

[Fund for Payment of Government Losses in Shipment]

[(revolving fund)]

[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), $50,000, to remain available until expended, and to be derived by transfer from the account "Unclaimed Partial Payments on United States Savings Bonds".] (*Treasury-Post Office Appropriation Act, 1959.*)

Appropriated 1959, **$50,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities: Payment of claims (total costs—obligations)	$31,073	$51,000	$51,000

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BUREAU OF ACCOUNTS—Continued

Public enterprise funds—Continued

[FUND FOR PAYMENT OF GOVERNMENT LOSSES IN SHIPMENT]—Continued

[(REVOLVING FUND)]—continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Amounts becoming available:			
Appropriation		$50,000	
Revenue: Recoveries of losses	$11,230	1,000	$1,000
Total amounts becoming available	11,230	51,000	1,000
Unobligated balance brought forward	93,593	73,750	73,750
Total amounts available	104,823	124,750	74,750
Unobligated balance carried forward	−73,750	−73,750	−23,750
Financing applied to program	31,073	51,000	51,000

This fund was created as self-insurance to cover losses in shipment of Government property such as coin, currency, securities, certain losses incurred by the Post Office Department, and losses in connection with the redemption of savings bonds (5 U. S. C. 134). Since these losses are only partially offset by recoveries, the net deficit has gradually increased to $820,053 as of June 30, 1958, and is expected to increase to $920,053 by June 30, 1960. Additional working capital of $50,000 was appropriated in 1959.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense (payment of claims)	$31,073	$51,000	$51,000
Increase in selected working capital	2,596		
Total gross expenditures	33,669	51,000	51,000
Receipts from operations (funds provided):			
Revenue (recoveries)	11,230	1,000	1,000
Budget expenditures	22,439	50,000	50,000

Revenue, Expense, and Retained Earnings

Payment of claims:			
Revenue	$11,230	$1,000	$1,000
Expense	31,073	51,000	51,000
Net loss (−) for the year	−19,843	−50,000	−50,000
Deficit (−), beginning of year	−800,210	−820,053	−870,053
Deficit (−), end of year	−820,053	−870,053	−920,053

Financial Condition

Assets:			
Cash with Treasury	$90,209	$90,209	$40,209
Liabilities:			
Current	16,459	16,459	16,459
Government investment:			
Non-interest-bearing capital:			
Start of year	893,803	893,803	943,803
Appropriation during year		50,000	
End of year	893,803	943,803	943,803
Deficit (−)	−820,053	−870,053	−920,053
Total Government investment	73,750	73,750	23,750

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash with Treasury	$112,649	$90,209	$90,209	$40,209
Obligated balance, net:				
Current liabilities	19,056	16,459	16,459	16,459
Unobligated balance	93,593	73,750	73,750	23,750

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$31,073	$51,000	$51,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Processing payments	$419,900	$398,671	$359,800
2. Replacement of personal property sold	825		
Total obligations	420,725	398,671	359,800
Financing:			
Advances and reimbursements from—			
Other accounts	419,900	398,671	359,800
Non-Federal sources (40 U. S. C. 481 (c))	825		
Total financing	420,725	398,671	359,800

Object Classification

Total number of permanent positions		56		48		44
Full-time equivalent of all other positions		3		1		1
Average number of all employees		58		48		44
Number of employees at end of year		54		48		44
Average GS grade and salary	3.5	$3,782	3.6	$4,235	3.6	$4,265
01 Personal services:						
Permanent positions		$217,018		$198,069		$179,324
Positions other than permanent		10,370		3,266		3,266
Other personal services		792		682		1,195
Total personal services		228,180		202,017		183,785
02 Travel		558		468		402
03 Transportation of things		1,447		1,214		1,044
04 Communication services		133,888		146,867		133,193
05 Rents and utility services		13,669		11,471		9,866
06 Printing and reproduction		596		500		430
Purchase of blank checks		11,688		9,808		8,436
07 Other contractual services		1,400		1,250		1,075
08 Supplies and materials		16,174		13,574		11,674
09 Equipment		1,378		464		399
11 Grants, subsidies, and contributions		11,252		10,690		9,197
13 Refunds, awards, and indemnities		80				
15 Taxes and assessments		415		348		299
Total obligations		420,725		398,671		359,800

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Processing deposits of withheld tax payments (total obligations)		$90,000	
Financing:			
Proposed supplemental appropriation		90,000	

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Under existing legislation, 1959.—A supplemental appropriation is anticipated to meet postal rate increases. This amount will be required to reimburse the Federal Reserve banks for the additional postage required to mail an annual volume of 9,200,000 depositary receipts.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Processing payments		$2,667,630	
2. Issuance of savings bonds		1,370	
Total obligations		2,669,000	
Financing:			
Proposed supplemental appropriation		2,669,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to meet the costs of postal rate increases and of plate changes and additional check volume resulting from the need for prompt payment of social security benefits at the new rates authorized by the Social Security Act amendments of 1958.

BUREAU OF THE PUBLIC DEBT

Current authorizations:

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States, [$44,500,000] *$47,500,000. (5 U. S. C. 258a; 31 U. S. C. 731–774; 12 U. S. C. 391; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, [a] **$46,000,000** Estimate 1960, **$47,500,000**

[a] Includes $1,500,000 appropriated in Supplemental Appropriation Act, 1959.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Issuance, servicing, and retirement of savings bonds	$34,288,808	$33,927,888	$33,768,080
2. Issuance, servicing, and retirement of other Treasury securities	6,928,834	7,226,775	7,330,583
3. Maintenance and audit of public debt accounts	827,399	777,185	779,811
4. Promotion of the sale of savings bonds	5,368,626	5,428,000	5,500,000
5. Executive direction	114,687	121,152	121,526
6. 1959 program obligated in 1958	54,172	−54,172	
Total obligations	47,582,526	47,426,828	47,500,000
Financing:			
Comparative transfers to other accounts	29,125		
1959 appropriation available in 1958	−54,172	54,172	
Unobligated balance no longer available	7,461		
New obligational authority	47,564,940	47,481,000	47,500,000
New obligational authority:			
Appropriation	$46,791,940	$46,000,000	$47,500,000
Transferred from—			
"Salaries and expenses," Internal Revenue Service (71 Stat. 39 and 72 Stat. 110)	1,067,000		
"Salaries and expenses," Office of the Treasurer (72 Stat. 110)	60,000		
Transferred to "Salaries and expenses, Division of Disbursement" (Reorganization Plan No. 26 of 1950)	−354,000		
Appropriation (adjusted)	47,564,940	46,000,000	47,500,000
Proposed supplemental due to pay increases		1,481,000	

This appropriation provides funds for public debt operations and 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 1960 estimate reflects the continuation of the program to record the sale and redemption of savings bonds by electronic processing.

UNITED STATES SAVINGS BONDS, SERIES A THROUGH K

[Number of pieces]

	1958 actual	*1959 estimate*	*1960 estimate*
Issues:			
Sales, original issue	90,680,278	92,300,000	96,700,000
Reissues, exchanges, and claims	2,422,801	2,700,000	2,800,000
Total	93,103,079	95,000,000	99,500,000
Retirements:			
Redemptions	94,407,583	92,300,000	92,900,000
Reissues, exchanges, claims, and spoils	4,812,359	5,500,000	5,600,000
Total	99,219,942	97,800,000	98,500,000

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]

	1958 actual	*1959 estimate*	*1960 estimate*
Issues:			
Original issue	2,226,537	2,450,000	2,450,000
Other transactions	2,167,239	2,375,000	2,375,000
Total	4,393,776	4,825,000	4,825,000
Retirements:			
Redemptions	2,764,515	2,850,000	2,850,000
Other transactions	1,643,201	1,650,000	1,650,000
Total	4,407,716	4,500,000	4,500,000

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.

A supplemental appropriation is anticipated for 1959 under Proposed for later transmission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	4,012	3,404	3,101
Full-time equivalent of all other positions	2	2	2
Average number of all employees	3,412	3,122	2,911
Number of employees at end of year	3,120	3,050	2,850
Average GS grade and salary	4.1 $4,152	4.4 $4,744	4.6 $4,879
01 Personal services:			
Permanent positions	$15,154,733	$14,939,394	$14,224,931
Positions other than permanent	11,822	11,939	11,939
Other personal services	252,078	179,232	173,695
Total personal services	15,418,633	15,130,565	14,410,565

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BUREAU OF THE PUBLIC DEBT—Continued

Current authorizations—Continued

ADMINISTERING THE PUBLIC DEBT—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$486,533	$428,291	$422,791
03 Transportation of things	504,838	581,772	581,772
04 Communication services	1,388,638	1,385,491	1,843,491
05 Rents and utility services	988,342	1,758,713	1,901,713
06 Printing and reproduction	612,779	552,974	541,974
Printing of Government securities	2,222,887	2,071,000	2,133,000
07 Other contractual services	441,561	354,471	323,471
Services performed by other agencies:			
Federal Reserve banks	22,881,669	22,500,000	22,700,000
Post Office Department	616,228	801,000	862,000
All other	290,470	300,000	300,000
08 Supplies and materials	607,948	553,542	458,442
09 Equipment	108,991	83,200	83,200
11 Grants, subsidies, and contributions	916,822	976,830	934,430
13 Refunds, awards, and indemnities	31,932		
15 Taxes and assessments	10,083	3,151	3,151
1959 program obligated in 1958	54,172	−54,172	
Total obligations	47,582,526	47,426,828	47,500,000

Proposed for later transmission:

ADMINISTERING THE PUBLIC DEBT

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Issuance, servicing, and retirement of savings bonds		$335,000	
2. Issuance, servicing, and retirement of other Treasury securities		100,000	
4. Promotion of the sale of savings bonds		34,000	
Total obligations		469,000	
Financing:			
Proposed supplemental appropriation		469,000	

Under existing legislation, 1959.—A supplemental appropriation is anticipated to meet postal rate increases.

OFFICE OF THE TREASURER

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, [$17,950,000] *$18,650,000. (31 U. S. C. 141–155, 157, 545, 548; 12 U. S. C. 121, 127, 411–422; 5 U. S. C. 258a; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$17,950,000** Estimate 1960, **$18,650,000**
Appropriated (adjusted) 1959, **$17,969,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct obligations:			
1. Check payment and reconciliation	$2,824,968	$2,909,800	$2,942,900
2. Processing check claims	1,368,250	1,585,400	1,613,900
3. General banking services	353,509	368,800	370,200
4. Retirement of currency	642,842	661,600	669,800
5. Maintenance of Treasurer's accounts	329,818	363,300	364,600
6. Payment and custody of securities	298,158	322,900	324,100
7. Procurement and transportation of U. S. currency	12,100,334	12,064,000	12,259,000
8. Executive direction	99,634	105,200	105,500
9. 1959 program obligated in 1958	15,504	−15,504	
Total direct obligations	18,033,017	18,365,496	18,650,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Check payment and reconciliation	$114,485	$99,500	$100,300
2. Processing check claims	37,003	49,900	49,700
3. General banking services	11,628	12,500	12,500
4. Retirement of currency	474,000	512,300	514,000
5. Maintenance of Treasurer's accounts	73		
Total reimbursable obligations	637,189	674,200	676,500
Total obligations	18,670,206	19,039,696	19,326,500
Financing:			
Comparative transfers from (−) other accounts	−9,725		
1959 appropriation available in 1958	−15,504	15,504	
Advances and reimbursements from—			
Other accounts	−150,861	−148,400	−149,000
Non-Federal sources	−486,328	−525,800	−527,500
Unobligated balance no longer available	32,487		
New obligational authority	18,040,275	18,381,000	18,650,000
New obligational authority:			
Appropriation	$18,091,000	$17,950,000	$18,650,000
Transferred from "Salaries and expenses, Division of Disbursement" (Reorganization Plan No. 26 of 1950)	9,275	19,000	
Transferred to "Administering the public debt" (72 Stat. 110)	−60,000		
Appropriation (adjusted)	18,040,275	17,969,000	18,650,000
Proposed supplemental due to pay increases		412,000	

NOTE.—Reimbursements from non-Federal sources above are funds received for services rendered in connection with Federal Reserve currency (31 U. S. C. 157) and sales of personal property (40 U. S. C. 481 (c)).

This Office (*a*) receives, keeps, and disburses the moneys of the United States; (*b*) processes claims for the proceeds of Government checks; (*c*) receives, stores, issues, transfers, and retires currency; (*d*) issues and redeems Government securities; (*e*) maintains fiscal accounts; and (*f*) prepares financial statements and reports.

1. *Check payment and reconciliation.*—This activity consists of maintaining checking accounts of Government disbursing officers and Government-owned corporations; processing documents crediting Government disbursing accounts; performing centralized payment functions for 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 program to convert to the use of electronic equipment in the payment of checks drawn on the Treasurer, which began in 1957, was completed during the past year. Including the reimbursable work performed by this activity, approximately 356 million checks were paid in 1958 by the Treasurer in Washington through the use of the electronic equipment, while about 42 million checks were paid by the Federal Reserve banks acting as fiscal agents of the Treasurer. The total estimated check volume of 396 million in 1959 and 408 million in 1960 will be processed through the electronic equipment.

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.

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WORK VOLUME

	1958 actual	1959 estimate	1960 estimate
Type of case processed:			
Paid check cases	118,735	134,000	140,700
Outstanding check cases	77,333	87,100	89,200
Authority cases	6,046	6,300	6,400

UNIT COSTS

Paid check cases	$9.26	$9.52	$9.26
Outstanding check cases	3.28	3.37	3.31
Authority cases	2.50	2.56	2.55

3. *General banking services.*—General banking services are provided for Government accountable officers and for banks in the District of Columbia.

WORKLOAD OF MEASURABLE OPERATIONS

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Treasury checks and other obligations paid in cash	484	500	500
Commercial checks, drafts, and money orders processed for collection	6,074	6,200	6,200

4. *Retirement of currency.*—United States currency unfit for further circulation is verified and destroyed by the Federal Reserve banks on a reimbursable basis. Unfit currency received from local sources, as well as all mutilated currency, is processed for retirement in Washington. The pieces of currency destroyed are estimated to be 1.23 billion in 1959 and 1.25 billion in 1960 as compared to 1.23 billion in 1958.

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 United States Treasury and a monthly statement of money held in the Treasury and paper currency in circulation.

6. *Payment and custody of securities.*—This activity 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]

	1958 actual	1959 estimate	1960 estimate
United States savings bonds:			
Payments	56	56	58
Sales	38	40	40
Reissues	24	26	29
Other public debt and guaranteed obligations:			
Payments	209	212	217
Issue and exchange transactions	61	63	65
Deposits and withdrawals from custody	19	20	20

7. *Procurement and transportation of United States currency.*—All United States paper currency is procured by the Treasurer from the Bureau of Engraving and Printing on a reimbursable basis. The Treasurer is also charged with the cost of transportation of this new currency to the Federal Reserve banks and depositaries.

FACTORS DETERMINING REQUIREMENTS

[In thousands of notes]

	1958 actual	1959 estimate	1960 estimate
New currency procured	1,239,272	1,220,000	1,220,000
New currency issued	1,272,696	1,275,000	1,275,000

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		981		997		1,011
Full-time equivalent of all other positions				4		4
Average number of all employees		914		969		977
Number of employees at end of year		936		980		975
Average GS grade and salary	4.8	$4,341	4.8	$4,847	4.8	$4,851

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Personal service obligations:			
Permanent positions	$4,181,647	$4,670,000	$4,716,900
Positions other than permanent		13,000	13,000
Other personal services	96,216	69,000	85,400
Total personal service obligations	4,277,863	4,752,000	4,815,300
Direct obligations:			
01 Personal services	3,778,244	4,210,400	4,275,400
02 Travel	11,764	8,800	8,800
03 Transportation of things	512,185	524,700	434,700
04 Communication services	43,249	48,700	48,700
05 Rents and utility services	1,158,759	1,151,300	1,151,300
06 Printing and reproduction	26,852	35,000	35,000
Purchase of U. S. currency	11,622,931	11,558,000	11,843,000
07 Other contractual services	77,414	55,200	55,500
Services performed by Federal Reserve banks	314,320	324,000	331,000
08 Supplies and materials	175,972	155,300	161,300
09 Equipment	58,962	38,600	30,100
11 Grants, subsidies, and contributions	229,789	270,700	274,900
13 Refunds, awards, and indemnities	6,702		
15 Taxes and assessments	370	300	300
1959 program obligated in 1958	15,504	−15,504	
Total direct obligations	18,033,017	18,365,496	18,650,000
Reimbursable obligations:			
01 Personal services	499,619	541,600	539,900
02 Travel	399	300	300
03 Transportation of things	4,541	4,800	4,800
04 Communication services	5,060	5,400	5,400
05 Rents and utility services	41,958	37,600	41,600
06 Printing and reproduction	2,607	1,900	1,900
07 Other contractual services	40,426	35,900	35,900
08 Supplies and materials	9,379	8,200	8,200
09 Equipment	3,923	3,300	3,300
11 Grants, subsidies, and contributions	28,161	34,900	34,900
13 Refunds, awards, and indemnities	418		
15 Taxes and assessments	698	300	300
Total reimbursable obligations	637,189	674,200	676,500
Total obligations	18,670,206	19,039,696	19,326,500

Public enterprise funds:

CHECK FORGERY INSURANCE FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims and losses (total costs—obligations)	$142,836	$142,905	$139,900
Financing:			
Amounts becoming available: Revenue and receipts	142,135	142,400	139,500
Unobligated balance brought forward	44,706	44,005	43,500
Total amounts available	186,841	186,405	183,000
Unobligated balance carried forward	−44,005	−43,500	−43,100
Financing applied in program	142,836	142,905	139,900

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)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Expense (payment of claims)	$142,135	$142,400	$139,500
Increase in selected working capital	693	2,401	
Total gross expenditures	142,828	144,801	139,500
Receipts from operations (funds provided):			
Revenue	142,135	142,400	139,500
Decrease in selected working capital			1,500
Total receipts from operations	142,135	142,400	141,000
Budget expenditures	693	2,401	−1,500

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OFFICE OF THE TREASURER—Continued

Public enterprise funds—Continued

CHECK FORGERY INSURANCE FUND—Continued

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$142,135	$142,400	$139,500
Expense	142,836	142,905	139,900
Net loss (−) for the year	−701	−505	−400
Deficit (−), beginning of year	−5,294	−5,995	−6,500
Deficit (−), end of year	−5,995	−6,500	−6,900

Financial Condition

Assets:			
Cash with Treasury	$27,401	$25,000	$26,500
Accounts receivable	16,604	18,500	16,600
Total assets	44,005	43,500	43,100
Government investment:			
Non-interest-bearing capital (start and end of year)	50,000	50,000	50,000
Deficit (−)	−5,995	−6,500	−6,900
Total Government investment	44,005	43,500	43,100

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury	$28,093	$27,401	$25,000	$26,500
Obligated balance: Accounts receivable (−)	16,613	16,604	18,500	16,600
Unobligated balance	44,706	44,005	43,500	43,100

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$142,836	$142,905	$139,900

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, *including forty for police-type use without regard to the general purchase price limitation for the current fiscal year*; 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] *$53,865,000. (5 U. S. C. 118, 118a, 281a; 19 U. S. C. 68, 1524, 1619, 1701; 31 U. S. C. 529b, 580; 46 U. S. C. 1–1334; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$48,000,000** Estimate 1960, **$53,865,000**

Program and Financing

NOTE.—This schedule includes balances of "Revolving fund for reimbursable services."

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Assessment and collection of duties, taxes, and fees	$36,581,932	$38,163,260	$39,145,000
2. Appraisal of imported merchandise	6,863,103	7,271,210	7,556,300
3. Investigations of violations of customs and related laws and regulations	2,771,272	2,974,300	3,150,300
4. Audit of collection and merchandise accounts	802,028	822,950	843,800
5. Analysis and identification of merchandise for tariff purposes	999,496	1,071,950	1,133,600

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
6. Executive direction	$1,885,430	$1,951,330	$2,036,000
7. 1959 program obligated in 1958	203,632	−203,632	
Total obligations	50,106,893	52,051,368	53,865,000
Financing:			
1959 appropriation available in 1958	−203,632	203,632	
Unobligated balance brought forward	300,000	300,000	300,000
Unobligated balance carried forward	−300,000	−300,000	−300,000
Unobligated balance no longer available	36,739		
New obligational authority	49,940,000	52,255,000	53,865,000
New obligational authority:			
Appropriation	$49,940,000	$48,000,000	$53,865,000
Proposed supplemental due to pay increases		4,255,000	

The Bureau of Customs controls the importation of merchandise and collects the duties thereon. Gross total collections amounted to $1,121,966,901 in 1958.

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. In order to make possible more realistic charges for services rendered to industry, draft legislation will be presented to the Congress to change laws which now either prohibit the collection of fees or fix charges at rates which do not permit the full recovery of costs.

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

	1958 actual	*1959 estimate*	*1960 estimate*
Formal entries accepted	1,175,271	1,234,000	1,296,000
Carriers of persons and merchandise arriving from foreign countries	39,466,668	40,450,000	41,460,000
Persons arriving from foreign countries	137,673,041	140,425,000	143,230,000

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

	1958 actual	*1959 estimate*	*1960 estimate*
Packages examined by appraisers' personnel	1,375,418	1,389,000	1,403,000
Invoices received	1,822,419	1,877,000	1,933,000

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 the Tariff Act of 1930, the Narcotics Drug Act of 1934, the Gold Reserve Act of 1934, the Export Control Act, and other laws affecting the movement of merchandise into and out of the United States. They also secure market value information for customs appraisers. In 1958, a total of 16,282 investigations were made. The estimates for 1959 and 1960 are 16,500 and 18,000, 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 collector's final assessments of duties, taxes, and allowances of drawback.

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SELECTED WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Liquidations verified	67,991	70,000	73,000
Comptrollers' verifications pending at close of year	4,391	4,000	4,000
Audit reports made	126	125	130

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 1958, a total of 121,401 samples were tested, and it is estimated that 121,500 and 133,650 will be tested in 1959 and 1960, respectively.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	7,276	7,276	7,518
Full-time equivalent of all other positions	90	74	74
Average number of all employees	7,187	7,143	7,281
Number of employees at end of year	7,354	7,339	7,501
Average GS grade and salary	8.0 $5,667	8.0 $6,373	7.9 $6,397
01 Personal services:			
Permanent positions	$41,195,473	$43,478,170	$44,622,125
Positions other than permanent	417,040	368,150	368,150
Other personal services	2,206,232	2,300,210	2,499,375
Total personal services	43,818,745	46,146,530	47,489,650
02 Travel	460,547	485,000	523,000
03 Transportation of things	448,993	472,000	472,000
04 Communication services	543,910	554,000	614,000
05 Rents and utility services	94,482	103,000	99,805
06 Printing and reproduction	228,668	231,000	256,000
07 Other contractual services	475,294	474,930	483,850
08 Supplies and materials	427,603	416,000	421,000
09 Equipment	425,700	350,000	408,685
10 Lands and structures	88,544		
11 Grants, subsidies, and contributions	2,654,598	2,939,950	3,014,420
13 Refunds, awards, and indemnities	244,584	90,000	90,000
15 Taxes and assessments	12,219	13,220	13,220
1959 program obligated in 1958	203,632	−203,632	
Subtotal	50,127,519	52,071,998	53,885,630
Deduct quarters and subsistence charges	20,626	20,630	20,630
Total obligations	50,106,893	52,051,368	53,865,000

Permanent authorizations:

REFUNDS AND DRAWBACKS

(Indefinite)

Appropriated (est.) 1959, **$18,000,000** Estimate 1960, **$18,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Refunds of duties assessed and collected (total obligations)	$17,837,948	$18,000,000	$18,000,000
Financing:			
Appropriation (new obligational authority)	17,837,948	18,000,000	18,000,000

Overpayments are refunded, and drawbacks of duties upon exportation of previously imported merchandise are paid as required (19 U. S. C. 1313a).

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$17,837,948	$18,000,000	$18,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Assessment and collection of duties, taxes, and fees	$8,774,748	$9,751,220	$9,943,220
2. Appraisal of imported merchandise	54,477	57,300	57,300
3. Investigations of violations of customs and related laws and regulations	54,218	56,725	56,725
4. Audit of collection and merchandise accounts	3		
5. Analysis and identification of merchandise for tariff purposes	7,848		
6. Executive direction	33,864	34,755	34,755
Total obligations	8,925,158	9,900,000	10,092,000
Financing:			
Advances and reimbursements from—			
Other accounts	2,229,355	2,378,000	2,385,000
Non-Federal sources	6,695,803	7,522,000	7,707,000
Total financing	8,925,158	9,900,000	10,092,000

NOTE.—Reimbursements from non-Federal sources above are funds received for overtime pay and miscellaneous expenses for customs services (19 U. S. C. 1524).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	682	689	689
Full-time equivalent of all other positions	8	8	8
Average number of all employees	655	660	656
Number of employees at end of year	675	679	675
Average GS grade and salary	6.9 $4,177	6.9 $5,541	6.9 $5,628
01 Personal services:			
Permanent positions	$3,267,373	$3,479,480	$3,472,215
Positions other than permanent	37,099	37,200	37,200
Other personal services	5,274,719	6,068,165	6,267,430
Total personal services	8,579,191	9,584,845	9,776,845
02 Travel	58,964	55,500	55,500
03 Transportation of things	1,502	1,500	1,500
04 Communication services	7,239	5,000	5,000
05 Rents and utility services	1,485	1,500	1,500
06 Printing and reproduction	42,834	44,500	44,500
07 Other contractual services	40,435	33,200	33,200
08 Supplies and materials	23,789	22,300	22,300
09 Equipment	27,814	24,500	24,500
10 Land and structures	29,093		
11 Grants, subsidies, and contributions	112,605	127,155	127,155
13 Refunds, awards, and indemnities	200		
Total obligations	8,925,158	9,900,000	10,092,000

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, *including forty for police-type use without regard to the purchase price limitation for the current fiscal year*) 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] *$365,500,000. (5 U. S. C. 133; title 26 U. S. C.; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$325,500,000** Estimate 1960, **$365,500,000**

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INTERNAL REVENUE SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Rulings, technical planning, and special technical services	$5,157,257	$5,656,967	$5,679,570
2. Collection of revenue	141,485,379	148,172,131	152,644,528
3. Audit of tax returns	118,444,170	123,915,533	128,152,625
4. Tax fraud and special investigations	17,323,598	18,303,685	18,672,155
5. Alcohol and tobacco tax regulatory work	24,748,855	25,891,272	26,229,671
6. Taxpayer conferences and appeals	11,027,488	12,923,181	13,292,546
7. Legal services	8,270,728	8,819,266	8,852,772
8. Inspection	4,490,909	4,800,143	4,816,860
9. Statistical reporting	2,450,788	2,721,154	2,730,340
10. Executive direction	3,974,652	4,415,548	4,428,933
11. 1959 program obligated in 1958	818,614	−818,614	
Total obligations	338,192,438	354,800,266	365,500,000
Financing:			
1959 appropriation available in 1958	−818,614	818,614	
Unobligated balance no longer available	516,176		
New obligational authority	337,890,000	355,618,880	365,500,000
New obligational authority:			
Appropriation	$337,326,500	$325,500,000	$365,500,000
Transferred (72 Stat. 243) from—			
"Reserve training," Coast Guard	1,533,500		
"Retired pay," Coast Guard	340,000		
Transferred to—			
"Administering the public debt" (71 Stat. 39)	−800,000		
"Administering the public debt" (72 Stat. 110)	−267,000		
"Salaries and expenses, Division of Disbursement" (71 Stat. 39)	−200,000		
"Salaries and expenses, White House Police," United States Secret Service (72 Stat. 243)	−43,000		
Appropriation (adjusted)	337,890,000	325,500,000	365,500,000
Proposed supplemental due to pay increases		30,118,880	

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; provides special technical services; and negotiates tax treaties with foreign governments.

SELECTED WORKLOAD DATA

	1958 actual	1959 estimate	1960 estimate
Rulings and advisory opinions	67,343	66,000	66,000
Regulations, legislative analysis, drafting and reports	2,659	3,300	3,300
Research, analysis, and preparation of rulings for publication	2,745	3,000	3,000

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 1958. The details of revenues collected are shown in table 1 and special analysis L of this document.

SELECTED WORKLOAD DATA

	1958 actual	1959 estimate	1960 estimate
Tax returns filed	93,573,609	95,000,000	96,000,000
Income tax computations and verifications	63,209,128	60,500,000	61,000,000
Refunds and credits processed	40,672,175	41,000,000	41,500,000
First notices and current installment bills issued	18,694,034	19,000,000	19,200,000
Taxpayer delinquent accounts issued	2,977,505	3,000,000	3,050,000
Taxpayer delinquent accounts closed	2,960,019	3,000,000	3,100,000
Delinquency and other investigations closed	1,485,058	1,570,000	1,610,000

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

	1958 actual	1959 estimate	1960 estimate
Examined income, estate, and gift tax returns (office audits and field audits)	2,569,375	2,532,000	2,672,000
Offers in compromise disposed of	19,553	19,500	19,500

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

	1958 actual	1959 estimate	1960 estimate
Fraud cases	18,600	19,000	18,500
Enrollment investigations	7,323	7,000	7,000

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

	1958 actual	1959 estimate	1960 estimate
Cases made	11,331	11,250	11,250
Distilleries seized	6,344	6,200	6,200
Mash seized (wine gallons)	5,140,846	4,800,000	4,800,000
Arrests	11,631	11,700	11,700
Inspections (includes dealers with Federal Alcohol Administration permits)	45,962	43,500	43,500

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 21,598 cases closed during 1958, a total of 24,000 is estimated for 1959, and 25,400 for 1960.

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

	1958 actual	1959 estimate	1960 estimate
Litigation:			
Tax Court cases	4,793	5,000	5,000
District court cases	1,745	1,600	1,600
Enforcement:			
Fraud cases	2,766	1,750	1,700
Alcohol and tobacco tax cases	5,237	5,200	5,250
Claims against estates, bankruptcy and receivership proceedings	9,571	9,500	9,500
Review of overassessments and proposed refunds	278	300	300
Technical rulings and opinions	1,866	1,850	1,850

8. *Inspection.*—This activity covers the internal audit and internal security activities servicewide.

SELECTED WORKLOAD DATA

	1958 actual	1959 estimate	1960 estimate
Internal audit examinations	263	256	256
Applicant character investigations	3,986	4,000	4,000
Personnel conduct investigations	610	600	600
Special inquiry investigations	1,411	1,500	1,500
Tort claim and discrimination investigations	149	150	150

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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. The reduction in statistical reports issued in 1959 and 1960 is due primarily to the improved format of tables and a more concise presentation of text in publications, particularly the statistics of income series.

SELECTED WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Returns transcribed and edited	717,311	702,000	653,000
Statistical reports issued (table and text pages)	6,309	3,600	3,500

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	52,444	50,247	50,787
Full-time equivalent of all other positions	1,666	1,933	2,170
Average number of all employees	52,508	51,427	52,153
Number of employees at end of year	50,816	50,750	51,250
Average GS grade and salary	6.9 $5,516	7.3 $6,001	7.4 $6,113
01 Personal services:			
Permanent positions	$278,117,175	$293,012,459	$299,200,297
Positions other than permanent	5,251,773	6,377,926	7,206,241
Other personal services	2,440,257	2,287,594	3,428,595
Total personal services	285,809,205	301,677,979	309,835,133
02 Travel	8,136,876	8,631,565	8,905,615
03 Transportation of things	1,562,570	1,690,239	1,690,239
04 Communication services	5,965,922	6,148,756	7,057,556
05 Rents and utility services	1,913,851	2,261,781	2,274,800
06 Printing and reproduction	7,378,263	7,358,346	7,358,346
07 Other contractual services	3,497,658	3,118,143	3,132,843
08 Supplies and materials	3,398,998	3,265,883	3,285,003
09 Equipment	1,537,882	1,766,472	1,766,472
11 Grants, subsidies, and contributions	17,339,963	19,060,263	19,535,113
13 Refunds, awards, and indemnities	705,333	510,000	510,000
15 Taxes and assessments	127,303	129,453	148,880
1959 program obligated in 1958	818,614	−818,614	
Total obligations	338,192,438	354,800,266	365,500,000

Permanent authorizations:

REFUNDING INTERNAL REVENUE COLLECTIONS

(Indefinite)

Appropriated (est.) 1959, **$4,845,107,000**

Estimate 1960, **$5,402,200,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Refunding internal revenue collections (total obligations)	$4,577,981,605	$4,845,107,000	$5,402,200,000
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)	−75,465,000	−84,000,000	−85,000,000
Unobligated balance no longer available	75,465,000	84,000,000	85,000,000
Appropriation (new obligational authority)	4,577,981,605	4,845,107,000	5,402,200,000

Refunds are made of erroneous internal revenue collections or overpayments of taxes (62 Stat. 560; 26 U. S. C.).

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$4,577,981,605	$4,845,107,000	$5,402,200,000

REFUNDING INTERNAL REVENUE COLLECTIONS, INTEREST

(Indefinite)

Appropriated (est.) 1959, **$91,776,000** Estimate 1960, **$86,900,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of interest on refunds (total obligations)	$73,674,514	$91,776,000	$86,900,000
Financing:			
Appropriation (new obligational authority)	73,674,514	91,776,000	$86,900,000

Interest is paid at 6% per annum on internal revenue collections which must be refunded (26 U. S. C. 6611).

Object Classification

	1958 actual	1959 estimate	1960 estimate
14 Interest	$73,674,514	$91,776,000	$86,900,000

OTHER INTERNAL REVENUE SERVICE PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1959, **$20,012,000** Estimate 1960, **$20,012,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Coconut oil tax, collections for American Samoa	$11,493	$12,000	$12,000
2. Coconut oil tax, collections for Guam	105		
3. Internal revenue collections for Puerto Rico	18,533,221	20,000,000	20,000,000
Total obligations	18,544,819	20,012,000	20,012,000
Financing:			
New obligational authority	18,544,819	20,012,000	20,012,000
New obligational authority:			
"Coconut oil tax, collections for American Samoa"	$11,493	$12,000	$12,000
"Coconut oil tax, collections for Guam"	105		
"Internal revenue collections for Puerto Rico"	18,533,221	20,000,000	20,000,000
Appropriation	18,544,819	20,012,000	20,012,000

All taxes collected under the internal revenue laws of the United States on coconut oil produced in American Samoa or Guam are paid to the Treasuries of the respective Territories (26 U. S. C. 2483; 31 U. S. C. 725s).

Taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and either transported to the United States or consumed on the island are paid to Puerto Rico (26 U. S. C. 3360; 31 U. S. C. 725s).

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$18,544,819	$20,012,000	$20,012,000

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INTERNAL REVENUE SERVICE—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Collection of revenue	$15,818	$25,000	$25,000
2. Alcohol and tobacco tax regulatory work	23,772	25,000	25,000
3. Tax fraud and special investigations	9,491		
4. Taxpayer conferences and appeals	1,924		
5. Executive direction	3,742		
6. Legal services	218		
Total obligations	54,965	50,000	50,000
Financing:			
Advances and reimbursements from—			
Other accounts	31,288	25,000	25,000
Non-Federal sources (40 U. S. C. 481 (c))	23,677	25,000	25,000
Total financing	54,965	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	$28,865	$25,000	$25,000
02 Travel	218		
08 Supplies and materials	2,205		
09 Equipment	23,677	25,000	25,000
Total obligations	54,965	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.] *$4,080,000. (5 U. S. C. 258a, 282–282c; 18 U. S. C. 1401–1407; 21 U. S. C. 171–184a, 188–188n, 197–199; 26 U. S. C. 4701–4762, 4771–4774, 7237, and 7607; 49 U. S. C. 781–788; Treasury-Post Office Appropriation Act of 1959.)*

Appropriated 1959, **$3,780,000** Estimate 1960, **$4,080,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Administering and enforcing the Federal narcotic and marihuana laws	$3,749,506	$3,991,604	$4,001,824
2. Executive direction	75,599	77,896	78,176
Total obligations	3,825,105	4,069,500	4,080,000
Financing:			
Unobligated balance no longer available	20,088		
New obligational authority	3,845,193	4,069,500	4,080,000
New obligational authority:			
Appropriation	$3,845,193	$3,780,000	$4,080,000
Proposed supplemental due to pay increases		289,500	

The Bureau investigates, detects, and prevents violations of the Federal narcotic and marihuana laws and related statutes.

COMPARATIVE STATEMENT OF WORKLOAD

	1956 actual	*1957 actual*	*1958 actual*	*1959 estimate*	*1960 estimate*
Cases completed for prosecution:					
1. Narcotics:					
(a) Registered persons	129	51	16	25	25
(b) Unregistered persons	1,787	1,418	1,508	1,525	1,525
2. Marihuana	433	361	200	200	200
Cases completed for prosecution	2,349	1,830	1,724	1,750	1,750
Other dispositions:					
1. Investigations showing no criminal violations	36,824	34,921	28,431	29,000	29,000
2. Investigations involving theft, military assistance, etc	1,798	1,190	1,143	1,000	1,000
3. Assistance to local authorities:					
(a) Requests handled	11,595	10,525	9,525	9,500	9,000
(b) Requests unable to handle	3,994	2,934	3,345	3,000	2,500
Total	56,560	51,400	44,168	44,250	43,250
Active open investigations at close of year	5,513	4,809	4,357	4,000	4,000

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	445		440		437	
Average number of all employees	416		427		424	
Number of employees at end of year	424		430		430	
Average GS grade and salary	8.2	$5,628	8.3	$6,261	8.3	$6,381
01 Personal services:						
Permanent positions	$2,470,569		$2,670,993		$2,670,088	
Other personal services	254,716		270,647		281,709	
Total personal services	2,725,285		2,941,640		2,951,797	
02 Travel	222,545		233,260		233,260	
03 Transportation of things	20,955		21,000		21,000	
04 Communication services	92,165		95,000		95,000	
05 Rents and utility services	932		900		900	
06 Printing and reproduction	9,267		7,500		7,500	
07 Other contractual services	173,263		174,300		174,300	
08 Supplies and materials	121,729		120,800		120,800	
Purchase of evidence	276,689		260,000		260,000	
09 Equipment	18,508		20,400		20,400	
11 Grants, subsidies, and contributions	147,828		174,300		174,643	
13 Refunds, awards, and indemnities	15,605		20,000		20,000	
15 Taxes and assessments	334		400		400	
Total obligations	3,825,105		4,069,500		4,080,000	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administering and enforcing the Federal narcotic and marihuana laws (total obligations)	$68,116	$74,500	$75,550
Financing:			
Advances and reimbursements from other accounts	68,116	74,500	75,550

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions	3		4		4	
Average number of all employees	3		4		4	
Number of employees at end of year	3		4		4	
Average GS grade and salary	11.3	$7,750	8.2	$6,305	8.2	$6,430
01 Personal services:						
Permanent positions	$22,618		$31,965		$32,807	
Other personal services	4,537		7,035		7,193	
Total personal services	27,155		39,000		40,000	
02 Travel	5,650		4,350		4,350	
04 Communication services	192		200		200	
07 Other contractual services	11,435		9,750		9,750	
08 Supplies and materials	167		150		150	
Purchase of evidence	22,178		19,000		19,000	
11 Grants, subsidies, and contributions	1,339		2,050		2,100	
Total obligations	68,116		74,500		75,550	

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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 [twenty-six] *thirty-seven, of which twenty-five are* for replacement only, *including ten for police-type use without regard to the general purchase price limitation for the current fiscal year*) and hire of passenger motor vehicles, [$3,461,000] *$4,100,000. (18 U. S. C. 3056, as amended; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$3,461,000** Estimate 1960, **$4,100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries	$3,349,217	$3,538,010	$3,874,610
2. General administrative services	133,470	156,224	156,802
3. Executive direction	62,875	68,332	68,588
4. 1959 program obligated in 1958	25,505	−25,505	
Total obligations	3,571,067	3,737,061	4,100,000
Financing:			
1959 appropriation available in 1958	−25,505	25,505	
Unobligated balance no longer available	20,438		
New obligational authority	3,566,000	3,762,566	4,100,000
New obligational authority:			
Appropriation	$3,559,000	$3,461,000	$4,100,000
Transferred from "Salaries and expenses, guard force" (72 Stat. 243)	7,000		
Appropriation (adjusted)	3,566,000	3,461,000	4,100,000
Proposed supplemental due to pay increases		301,566	

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 as directed by the Secretary of the Treasury. The Service also protects the President of the United States, his immediate family, the Vice President, and the President-elect.

NUMBER OF CASES CLOSED

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Check cases	26,531	27,505	26,652	30,340
Bond cases	3,594	4,205	3,960	4,400
Counterfeiting	1,739	2,978	3,972	4,000
Protective research cases	896	1,092	834	800
Other criminal and noncriminal cases	1,836	2,254	2,382	2,400
Total	34,596	38,034	37,800	41,940

2. *General administrative services.*—This activity includes administrative services for the White House Police and the Treasury guard force.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	427	427	491
Average number of all employees	408	404	447
Number of employees at end of year	408	404	463
Average GS grade and salary	8.9 $6,156	8.9 $6,848	8.8 $6,696
01 Personal services:			
Permanent positions	$2,665,163	$2,820,797	$3,059,318
Other personal services	169,571	200,194	233,753
Total personal services	2,834,734	3,020,991	3,293,071
02 Travel	238,990	258,000	286,200
03 Transportation of things	20,780	20,080	22,800
04 Communication services	48,512	50,057	53,457
06 Printing and reproduction	9,297	8,000	8,000
07 Other contractual services	74,860	75,008	77,968
08 Supplies and materials	73,885	70,413	73,113
09 Equipment	66,869	55,700	64,700
11 Grants, subsidies, and contributions	161,415	184,117	200,491

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$1,414	$200	$200
Unvouchered	14,806	20,000	20,000
1959 program obligated in 1958	25,505	−25,505	
Total obligations	3,571,067	3,737,061	4,100,000

Salaries and Expenses, White House Police

For necessary expenses of the White House Police, including uniforms and equipment, *and for performing such protective duties in the White House areas of the Executive Office Building as the Secretary may prescribe,* [$865,000] *$1,055,000. (3 U. S. C. 203 (a), as amended; 5 U. S. C. 258 (a); Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$865,000** Estimate 1960, **$1,055,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Protection of White House and grounds (total obligations)	$906,569	$979,698	$1,055,000
Financing:			
Unobligated balance no longer available	1,431		
New obligational authority	908,000	979,698	1,055,000
New obligational authority:			
Appropriation	$865,000	$865,000	$1,055,000
Transferred from "Salaries and expenses," Internal Revenue Service (72 Stat. 884)	43,000		
Appropriation (adjusted)	908,000	865,000	1,055,000
Proposed supplemental due to pay increases		114,698	

This permanent police force protects the White House and grounds.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	160	160	170
Average number of all employees	149	153	164
Number of employees at end of year	143	153	164
Average salary of ungraded positions	$5,337	$6,062	$6,082
01 Personal services:			
Permanent positions	$847,546	$934,819	$1,003,686
Other personal services	40,341	22,928	28,263
Total personal services	887,887	957,747	1,031,949
02 Travel		1,000	1,000
03 Transportation of things		10	10
06 Printing and reproduction	23	350	350
07 Other contractual services	3,740	4,091	4,091
08 Supplies and materials	13,553	16,400	17,500
09 Equipment	1,366	100	100
Total obligations	906,569	979,698	1,055,000

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, [$293,000] *$338,000. (5 U. S. C. 22, 258 (a); 31 U. S. C. 171; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$293,000** Estimate 1960, **$338,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Safeguarding Government securities and protection of Treasury buildings (total obligations)	$292,086	$322,520	$338,000

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UNITED STATES SECRET SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, GUARD FORCE—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance no longer available	$3,914		
New obligational authority	296,000	$322,520	$338,000
New obligational authority:			
Appropriation	$303,000	$293,000	$338,000
Transferred to "Salaries and expenses" (72 Stat. 243)	7,000		
Appropriation (adjusted)	296,000	293,000	338,000
Proposed supplemental due to pay increases		29,520	

The uniformed force safeguards paper currency and other Government securities and obligations in the money-handling divisions of the Treasury Department. It also provides protection for the main Treasury Building and its annex.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	72	72	72
Average number of all employees	66	68	68
Number of employees at end of year	59	68	68
Average GS grade and salary	3.3 $3,674	3.3 $4,063	4.3 $4,248
01 Personal services:			
Permanent positions	$257,931	$278,935	$292,080
Other personal services	12,304	14,515	15,905
Total personal services	270,235	293,450	307,985
03 Transportation of things	5	25	25
04 Communication services	701	950	950
06 Printing and reproduction	460	460	460
07 Other contractual services	1,267	1,515	1,515
08 Supplies and materials	3,087	7,630	7,630
09 Equipment	251	200	200
11 Grants, subsidies, and contributions	16,080	18,190	19,135
13 Refunds, awards, and indemnities		100	100
Total obligations	292,086	322,520	338,000

Permanent authorizations:

[CONTRIBUTION FOR ANNUITY BENEFITS]

(Indefinite)

[For reimbursement (not heretofore made), pursuant to section 6 of the Act of August 21, 1957 (71 Stat. 399), and effective in accordance with section 8 of such Act, to the District of Columbia, on a monthly basis, for benefit payments made from revenues of the District of Columbia to or for members of the White House Police force and such members of the United States Secret Service Division as have been or may hereafter become entitled to benefits under the Policemen and Firemen's Retirement and Disability Act, such amounts as hereafter may be necessary: *Provided*, That hereafter the appropriation granted under this head in the Treasury Department Appropriation Act, 1951 (64 Stat. 638), shall not be available.] (*Supplemental Appropriation Act, 1959.*)

Appropriated (est.) 1959, **$265,000** Estimate 1960, **$250,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Contributions for annuity benefits (total obligations)	$141,033	$265,000	$250,000
Financing:			
Appropriation (new obligational authority)	141,033	265,000	250,000

The District of Columbia is reimbursed for benefits paid to retirees from the White House Police force and the Secret Service (72 Stat. 883). This appropriation covers the difference between the amounts paid to beneficiaries and retirement deductions from salaries.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$141,033	$265,000	$250,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries	$3,749	$3,900	$3,750
2. Safeguarding Government securities and protection of Treasury buildings	4,492	4,000	4,000
Total obligations	8,241	7,900	7,750
Financing:			
Advances and reimbursements from—			
Other accounts	4,492	4,000	4,000
Non-Federal sources (40 U. S. C. 481 (c))	3,749	3,900	3,750
Total financing	8,241	7,900	7,750

Object Classification

	1958 actual	1959 estimate	1960 estimate
08 Supplies and materials	$4,492	$4,000	$4,000
09 Equipment	3,749	3,900	3,750
Total obligations	8,241	7,900	7,750

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.

[Not to exceed $2,500 of the appropriation granted under this head for the fiscal year 1959 shall be available for the purposes of section 1 of the joint resolution (S. J. Res. 201), authorizing the chairman of the Joint Committee on Atomic Energy to confer a medal on Rear Admiral Hyman George Rickover, United States Navy.] (*5 U. S. C. 150; 31 U. S. C. 251–287; Treasury-Post Office Appropriation Act, 1959; Independent Offices Appropriation Act, 1959.*)

Appropriated 1959, **$4,300,000** Estimate 1960, **$4,300,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct program:			
Operating costs:			
1. Manufacture of coins (domestic)	$2,176,122	$1,840,000	$1,840,000
2. Processing deposits and issues of monetary metals and coins	898,567	975,000	975,000
3. Protection of monetary metals and coins	720,401	770,000	770,000
4. Refining gold and silver bullion	431,019	465,000	465,000
5. Executive direction	147,533	150,000	150,000
Total direct operating program costs	4,373,642	4,200,000	4,200,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Capital outlay:			
6. Replacement of equipment	$13,855	$211,136	$100,000
Total direct program costs	4,387,497	4,411,136	4,300,000
Reimbursable program:			
1. Manufacture of coins (foreign)	752,992	735,000	515,000
7. Miscellaneous services to other accounts	412,746	340,000	85,000
Total reimbursable program costs	1,165,738	1,075,000	600,000
Total program costs	5,553,235	5,486,136	4,900,000
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−30,056	−111,136	
Total program (obligations)	5,523,179	5,375,000	4,900,000
Financing:			
Advances and reimbursements from—			
Other accounts	−412,746	−340,000	−85,000
Non-Federal sources:			
Sale of proof coins	−452,141	−420,000	−420,000
Other	−300,851	−315,000	−95,000
Unobligated balance no longer available	7,559		
Appropriation (new obligational authority)	4,365,000	4,300,000	4,300,000

NOTE.—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)).

The Bureau of the Mint manufactures coins, receives deposits of gold and silver bullion, safeguards the Government's holdings of monetary metals, and refines gold and silver bullion (see Bureau of the Mint permanent appropriations).

1. *Manufacture of coins.*—Production of coins is the major Mint activity. Funds requested for 1960 will permit production of approximately 1.7 billion coins. In addition, Mint facilities are utilized from time to time for production of foreign coins on a reimbursable basis.

DOMESTIC COINAGE WORKLOAD BY PIECES

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Denomination:				
1 cent	1,384,519,200	1,400,931,900	1,166,000,000	1,166,000,000
5 cents	150,703,540	226,391,900	148,000,000	148,000,000
10 cents	213,580,680	231,966,050	268,000,000	268,000,000
25 cents	125,073,620	123,706,060	90,000,000	90,000,000
50 cents	25,862,300	26,954,052	28,000,000	28,000,000
Total	1,899,739,340	2,009,949,962	1,700,000,000	1,700,000,000

UNIT COSTS—PER 1,000—BY DENOMINATION

Denomination:				
1 cent	$0.65	$0.79	$0.80	$0.80
5 cents	1.36	1.49	1.62	1.62
10 cents	1.22	1.57	1.32	1.32
25 cents	2.66	2.20	2.28	2.28
50 cents	4.17	3.56	3.77	3.77

TOTAL COST BY DENOMINATION

Denomination:				
1 cent	$896,772	$1,105,977	$935,600	$935,600
5 cents	204,948	337,992	239,800	239,800
10 cents	260,612	364,140	353,800	353,800
25 cents	333,085	272,157	205,200	205,200
50 cents	107,887	95,856	105,600	105,600
Total	1,803,304	2,176,122	1,840,000	1,840,000

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; disbursements of coins; moving, shipping, storing, and verifying bullion and coin; and counting and classifying uncurrent coins returned to the mints for recoinage. High silver receipts in 1958 and 1959 reflect the return of lend-lease silver by foreign governments.

SELECTED STATISTICS REGARDING DEPOSIT ACTIVITY

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Number of deposit transactions	10,713	10,700	10,700
Gold receipts and disbursements (value)	$1,539,307,546	$1,000,000,000	$1,000,000,000
Sale of gold bars for industrial, professional, and artistic use (value)	$19,795,617	$20,000,000	$20,000,000
Silver receipts (fine ounces)	166,405,813	145,000,000	42,000,000
Silver disbursements (fine ounces)	18,160,091	3,000,000	1,500,000
Uncurrent coins received (pieces)	22,677,213	23,000,000	23,000,000

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 1958, a total of $223,504 was deposited to miscellaneous receipts.

8. *Relation of costs to obligations.*—This relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$406,547	$348,840	$348,840	$348,840
Medals and proof coins (finished goods)	21,738	20,950	20,950	20,950
Work in process	99,002	74,128	74,128	74,128
Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	198,344	265,735	154,599	154,599
Advances (payments for goods and services on order not yet received)	9,082	5,519	5,519	5,519
Accounts receivable (bills rendered to users for goods and services reimbursable to this appropriation)	9,543	726	726	726
Accrued annual leave (leave earned and not taken by employees charged to activity costs)	−500,921	−499,992	−499,992	−499,992
Total selected resources at end of year	243,335	215,906	104,770	104,770
Selected resources at start of year (−)		−243,335	−215,906	−104,770
Adjustment of selected resources reported at start of year		−2,627		
Costs financed from obligations of other years, net (−)		−30,056	−111,136	

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	830	794	701
Average number of all employees	808	781	685
Number of employees at end of year	799	715	680
Average GS grade and salary	6.3 $5,266	6.7 $5,867	6.7 $5,947
Average salary of ungraded positions	$4,518	$4,785	$4,907
Personal service obligations:			
Permanent positions	$3,999,140	$4,062,000	$3,673,000
Other personal services	267,433	138,000	152,000
Total personal service obligations	4,266,573	4,200,000	3,825,000
Direct obligations:			
01 Personal services	3,418,910	3,348,700	3,348,700
02 Travel	30,559	30,000	30,000
03 Transportation of things	22,552	12,500	12,500
04 Communication services	16,446	16,500	16,500
05 Rents and utility services	243,798	237,000	237,000
06 Printing and reproduction	6,501	6,900	6,900
07 Other contractual services	35,572	34,800	34,800
Services performed by other agencies	2,163	2,200	2,200
08 Supplies and materials	309,498	290,000	290,000
09 Equipment	69,996	100,000	100,000
11 Grants, subsidies, and contributions	195,672	210,200	210,200
13 Refunds, awards, and indemnities	3,557	10,000	10,000
15 Taxes and assessments	2,217	1,200	1,200
Total direct obligations	4,357,441	4,300,000	4,300,000
Reimbursable obligations:			
01 Personal services	847,663	851,300	476,300
02 Travel	15,205	15,000	2,000
03 Transportation of things	30,819	32,500	32,500
04 Communication services	6,165	7,500	7,500
05 Rents and utility services	45,233	63,000	10,000
06 Printing and reproduction	2,862	3,100	3,100

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BUREAU OF THE MINT—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Reimbursable obligations—Continued			
07 Other contractual services	$5,040	$5,000	$5,000
08 Supplies and materials	99,134	55,000	35,000
09 Equipment	70,051		
11 Grants, subsidies, and contributions	36,304	36,800	27,800
13 Refunds, awards, and indemnities	2,462		
15 Taxes and assessments	4,800	5,800	800
Total reimbursable obligations	1,165,738	1,075,000	600,000
Total obligations	5,523,179	5,375,000	4,900,000

Permanent authorizations:

BUREAU OF THE MINT PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1959, **$557,150** Estimate 1960, **$715,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Minor coinage profits, etc.:			
(a) Distribution of coins	$183,120	$165,000	$165,000
(b) Coinage wastage and recoinage losses	102,972	105,000	105,000
2. Silver profit fund:			
(a) Distribution of coins	232,146	255,000	255,000
(b) Coinage wastage and recoinage losses	125,372	125,000	125,000
(c) Purchase of alloy metal	48,540	90,000	65,000
Total program (costs—obligations)	692,150	740,000	715,000
Financing:			
Unobligated balance brought forward	−603,495	−582,850	−400,000
Unobligated balance carried forward	582,850	400,000	400,000
New obligational authority	671,505	557,150	715,000
New obligational authority:			
"Minor coinage profits, etc."	$228,369	$206,092	$270,000
"Silver profit fund"	443,136	351,058	445,000
Appropriation	671,505	557,150	715,000

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. 317 (c), 335, and 340).

Object Classification

	1958 actual	1959 estimate	1960 estimate
03 Transportation of things:			
Minor coinage profits, etc.	$183,120	$165,000	$165,000
Silver profit fund	232,146	255,000	255,000
08 Supplies and materials: Silver profit fund	48,540	90,000	65,000
13 Refunds, awards, and indemnities:			
Minor coinage profits, etc.	102,972	105,000	105,000
Silver profit fund	125,372	125,000	125,000
Total obligations	692,150	740,000	715,000

BUREAU OF ENGRAVING AND PRINTING

Intragovernmental funds:

BUREAU OF ENGRAVING AND PRINTING FUND

The Bureau of Engraving and Printing designs, manufactures, and supplies all major evidences and most minor evidences of a financial character issued by the United States. It is the sole source of United States currency, Federal Reserve notes, and certificates of indebtedness. In addition the Bureau prints postage, internal revenue, customs, and savings stamps, bonds, commissions, certificates, permits, warrants, etc. The Bureau also prints bonds and postage and internal revenue stamps for the governments of insular possessions.

PROGRAM HIGHLIGHTS—DELIVERIES AND COSTS

	1958 actual	*1959 estimate*	*1960 estimate*
1. Engraving and printing:			
(a) Currency:			
United States—units	1,239,272,000	1,220,000,000	1,220,000,000
Cost	$11,539,645	$11,558,000	$11,843,000
Rate per thousand	$9.312	$9.474	$9.707
Federal Reserve notes—units	446,944,000	452,280,000	500,000,000
Cost	$4,334,872	$4,364,916	$4,941,109
Rate per thousand	$9.699	$9.651	$9.882
(b) Stamps:			
Internal revenue—units	24,080,576,873	23,743,988,975	23,742,998,975
Cost	$2,556,110	$2,697,936	$2,636,887
Rate per thousand	$0.106	$0.114	$0.111
United States postage—units	23,100,463,872	26,606,200,000	27,081,200,000
Cost	$5,598,182	$7,054,611	$7,077,088
Rate per thousand	$0.242	$0.265	$0.261
Other—units	321,286,275	323,625,500	329,461,000
Cost	$219,892	$230,156	$233,155
Rate per thousand	$0.684	$0.711	$0.708
(c) Commissions, certificates, etc.—units	10,317,925	12,491,332	15,299,216
Cost	$254,570	$278,776	$323,278
Rate per thousand	$24.673	$22.318	$21.130
(d) Securities—units	27,910,517	7,055,175	6,974,175
Cost	$1,411,156	$969,682	$932,067
Rate per thousand	$50.560	$137.443	$133.645
2. Card checks purchased—units	382,350,500	410,191,500	425,949,500
Cost	$1,104,197	$1,157,793	$1,200,172
Rate per thousand	$2.888	$2.823	$2.818
3. Cost of operation and maintenance of incinerator and space utilized by other agencies	$334,687	$358,130	$362,535
4. Other direct charges for miscellaneous services	$105,955	$611,662	$30,000
Total cost	$27,459,266	$29,281,662	$29,579,291

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 0.8% in 1959 and an increase of 2% in 1960 over deliveries made in 1958. Due to the need for establishing different levels of inventories to cope with changing delivery programs and at the same time maintain stabilization in manpower requirements, it is anticipated that the Bureau's production will actually increase 8% in 1959 and decrease 1% in 1960 over 1958.

(b) *Stamps.*—Estimated production reflects an increase of 6.7% in 1959 and 7.7% in 1960 over 1958, due principally to an appreciable rise in the demand for postage stamps.

(c) *Commissions, certificates, etc.*—The anticipated requirements of the various agencies for commissions, certificates, etc., indicate an increase of about 21% in 1959 and 48% in 1960 as compared with 1958. Although this reflects a substantial increase in requirements, production costs for these items represent only approximately 1% of the overall engraving and printing program.

(d) *Securities.*—The overall estimated requirements for securities reflect a decrease of 75% in 1959 and 1960 as compared with actual deliveries made in 1958. Practically all of this decrease is in requirements for United States savings bonds, deliveries of which were discontinued in September 1957, due to the Treasury's decision to issue such bonds in punched card form. The estimated requirements for all other securities are substantially the same in 1959 and 1960 as in 1958.

2. *Card checks purchased.*—Purchases of all Government checks in punched card form are made by the Bureau under a single negotiated contract from a commercial source, based on estimated requirements submitted by agencies served.

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3. *Cost of operation and maintenance of 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 maintaining the space they occupy in the Bureau's buildings.

4. *Other direct charges for miscellaneous services.*—Charges for these services are made to agencies on an actual cost basis.

Financing.—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).

Operating results and financial condition.—Bureau operations during 1958 resulted in a loss of $23,259. 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)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Engraving and printing:			
Acquisition of equipment and other capitalized assets	$2,346,309	$3,932,317	$2,144,258
Expense:			
Manufacturing and other expense	19,646,640	20,490,022	20,273,806
Purchase of commodities for manufacture or sale	5,010,059	5,300,000	4,945,000
Card checks: Purchase of commodity and other expense	1,104,197	1,157,793	1,200,172
Operation and maintenance of incinerator and space utilized by other agencies: Expense	334,687	358,130	362,535
Other direct charges to agencies for services: Expense	105,955	611,662	30,000
Increase in selected working capital		32,485	
Total gross expenditures	28,547,847	31,882,409	28,955,771
Receipts from operations (funds provided):			
Engraving and printing: Revenue	25,890,982	27,208,998	27,986,584
Card checks: Revenue	1,104,245	1,157,793	1,200,172
Operation and maintenance of incinerator and space utilized by other agencies: Revenue	334,687	358,130	362,535
Other direct charges to agencies for services: Revenue	106,093	611,662	30,000
Undistributed receipts: Proceeds from sale of equipment	111,446		
Decrease in selected working capital	889,194		54,026
Total receipts from operations	28,436,647	29,336,583	29,633,317
Budget expenditures	111,200	2,545,826	−677,546

Revenue, Expense, and Retained Earnings

Engraving and printing:			
Revenue	$25,890,982	$27,208,998	$27,986,584
Expense	25,789,705	26,914,215	27,861,584
Net operating income, engraving and printing	101,277	294,783	125,000
Card checks:			
Revenue	1,104,245	1,157,793	1,200,172
Expense	1,104,197	1,157,793	1,200,172
Net operating income, card checks	48		
Operation and maintenance of incinerator and space utilized by other agencies:			
Revenue	334,687	358,130	362,535
Expense	334,687	358,130	362,535
Net operating income, operation and maintenance of incinerator and space utilized by other agencies			
Other direct charges to agencies for services:			
Revenue	106,093	611,662	30,000
Expense	105,955	611,662	30,000
Net operating income, other direct charges to agencies for services	138		

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Nonoperating income or loss (−):			
Proceeds from sale of equipment and other capitalized assets	$111,446		
Net book value of disposed assets (−)	−236,168	−$239,862	−$125,000
Net nonoperating loss (−)	−124,722	−239,862	−125,000
Net income or loss (−) for the year	−23,259	54,921	
Deficit (−), beginning of year	−31,662	−54,921	
Deficit (−), end of year	−54,921		

Financial Condition

Assets:			
Cash with Treasury	$4,350,258	$1,804,432	$2,481,978
Accounts receivable	1,175,087	1,175,087	1,188,293
Commodities for sale	4,871,799	5,671,633	5,022,842
Supplies and prepaid expense	1,360,219	1,310,219	1,260,219
Deferred charges	281,816	282,480	254,324
Fixed assets, net	16,579,735	18,347,499	18,400,926
Total assets	28,618,914	28,591,350	28,608,582
Liabilities:			
Current	3,422,905	3,340,420	3,357,652
Government investment:			
Non-interest-bearing capital (start and end of year)	25,250,930	25,250,930	25,250,930
Deficit (−)	−54,921		
Total Government investment	25,196,009	25,250,930	25,250,930

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $3,576,491; 1958, $3,294,560; 1959, $2,507,500; 1960, $2,507,500. These orders exclude contracts issued during the year, but only effective in the following year, as follows: 1957, $3,192,583; 1958, $4,261,595; 1959, $3,000,000; 1960, $3,000,000.

Unfilled customers' orders are as follows: June 30, 1957, $359,284.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	3,938	3,619	3,476
	Average number of all employees	3,507	3,440	3,382
	Number of employees at end of year	3,479	3,400	3,350
	Average GS grade and salary	5.1 $4,468	5.2 $5,009	5.2 $5,070
	Average salary of ungraded positions	$4,482	$4,692	$4,720
01	Personal services:			
	Permanent positions	$15,915,946	$16,611,244	$16,265,150
	Other personal services	1,331,808	1,087,822	1,090,116
	Excess of annual leave taken (−) over leave earned	−189,480		
	Total personal services	17,058,274	17,699,066	17,355,266
02	Travel	5,049	12,000	5,000
03	Transportation of things	249,680	269,200	273,500
04	Communication services	38,723	44,600	44,600
05	Rents and utility services	415,859	436,700	458,600
06	Printing and reproduction	7,050	7,000	7,000
07	Other contractual services	296,852	669,350	239,200
	Services performed by other agencies	168,803	170,500	172,500
08	Supplies and materials	7,061,542	7,433,191	7,098,247
09	Equipment	2,356,013	3,942,317	2,154,258
11	Grants, subsidies, and contributions	1,004,746	1,103,000	1,084,600
13	Refunds, awards, and indemnities	13,177	10,000	10,000
15	Taxes and assessments	2,600	3,000	3,000
	Total accrued expenditures	28,678,368	31,799,924	28,905,771
	Decrease (−) in unpaid undelivered orders	−281,931	−787,060	
	Total obligations	28,396,437	31,012,864	28,905,771

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,

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COAST GUARD—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

as amended (5 U. S. C. 2131); [$171,700,000] *$190,900,000*: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and [twenty-eight] *thirty-two* 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 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: *Provided further, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $209,400,000: Provided further, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account.*

[Appropriations under this head shall be available for payment of claims as authorized by Public Law 85–255, approved September 2, 1957.] (*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; 70 Stat. 747; 70 Stat. 807; 70 Stat. 857; Treasury-Post Office Appropriation Act, 1959; Supplemental Appropriation Act, 1959.*)

Appropriated 1959, **$171,700,000** Estimate 1960, **$190,900,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Direct program:			
1. Vessel operations	$49,158,502	$50,782,724	$50,963,278
2. Aviation operations	19,750,479	19,742,518	23,299,786
3. Shore stations and aids operations	47,552,544	49,000,676	53,732,368
4. Repair and supply facilities	5,553,247	5,725,448	5,975,548
5. Training and recruiting facilities	6,793,118	7,274,632	7,361,953
6. Administration and operational control	21,818,432	23,023,373	23,907,789
7. Other military personnel expense	19,335,549	19,984,121	19,927,294
8. Supporting programs	7,387,352	6,909,797	6,478,633
Total direct program costs	177,349,223	182,443,289	191,646,649
Unfunded adjustments to total direct program costs: Property or services transferred in (−) without charge, net	−4,478,920	−985,000	−2,475,000
Total direct program costs, funded	172,870,303	181,458,289	189,171,649
9. Relation of costs to accrued expenditures:			
Costs financed from accrued expenditures of other years, net (−)	−2,271,722	−2,748,289	
Expenditures accrued for costs of other years, net			1,178,351
Total direct accrued expenditures	170,598,581	178,710,000	190,350,000
Unpaid undelivered orders brought forward	−14,232,035	−14,008,143	−13,086,787
Adjustment of unpaid undelivered orders brought forward	784,522		
Unpaid undelivered orders carried forward	14,008,143	13,086,787	13,636,787
Total direct program (obligations)	171,159,211	177,788,644	190,900,000
Reimbursable program:			
10. Operation of ocean stations (Department of the Navy)	16,430,000	16,885,000	16,965,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Reimbursable program—Continued			
11. Miscellaneous services to other accounts	$8,820,927	$13,713,770	$14,135,000
Total reimbursable program costs	25,250,927	30,598,770	31,100,000
12. Relation of costs to accrued expenditures: Expenditures accrued for costs of other years, net	33,282		
Total reimbursable accrued expenditures	25,284,209	30,598,770	31,100,000
Unpaid undelivered orders brought forward	−614,044	−626,932	−626,932
Adjustment of unpaid undelivered orders brought forward	490		
Unpaid undelivered orders carried forward	626,932	626,932	626,932
Total reimbursable (obligations)	25,297,587	30,598,770	31,100,000
Total program (obligations)	196,456,798	208,387,414	222,000,000
Financing:			
1959 appropriation available in 1958	−1,111,356	1,111,356	
Advances and reimbursements from—			
Other accounts	−25,227,886	−30,498,770	−31,000,000
Non-Federal sources (40 U. S. C. 481 (c))	−69,701	−100,000	−100,000
Unobligated balance no longer available	145		
New obligational authority	170,048,000	178,900,000	190,900,000
New obligational authority:			
Appropriation	$169,000,000	$171,700,000	$190,900,000
Transferred (72 Stat. 241) from—			
"Reserve training"	1,026,000		
"Retired pay"	22,000		
Appropriation (adjusted)	170,048,000	171,700,000	190,900,000
Proposed supplemental due to pay increases		7,200,000	

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 coast 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 ice breaking in navigable lakes, rivers, canals, and harbors; and for law enforcement.

WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Vessel operations:			
Assistance cases	3,550	4,000	4,000
Lives saved or persons rescued	526	600	650
Vessels towed to port	2,166	2,200	2,300
Search and rescue missions	4,801	5,000	5,200
Law enforcement and port secutiry missions	4,686	4,700	4,900
Aids to navigation missions	7,039	7,100	7,200
Vessels boarded and papers examined	37,362	38,000	38,000

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

	1958 actual	*1959 estimate*	*1960 estimate*
Aviation operations:			
Assistance cases	2,035	2,500	3,000
Lives saved or persons rescued	192	200	250
Search and rescue missions	4,560	5,000	5,500
Law enforcement and port security missions	580	625	650
Logistics missions, Coast Guard	5,563	6,000	6,500

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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.

Buoys, lighthouses, lightships, fog signal stations, light attendant stations, radiobeacons, 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 1,076 unmanned aids operated in 1960. 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. These offices will also administer the small-boat safety program when inaugurated. Estimates for this program could not be included in this budget because of the time required to reevaluate the new legislation pertaining thereto.

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 needed to keep pace with the demands of industry.

Costs for the operation of three additional loran stations are included in the Coast Guard budget for 1960. These facilities are being constructed overseas in 1959 with funds provided by the Department of Defense.

WORKLOAD DATA

	1958 actual	*1959 estimate*	*1960 estimate*
Shore stations and aids operations:			
Assistance cases	14,940	15,000	15,500
Lives saved or persons rescued	1,266	1,500	1,700
Vessels towed to port	9,472	10,000	11,000
Search and rescue missions	15,757	16,000	16,500
Law enforcement and port security missions	27,229	28,000	28,000
Aids to navigation missions	10,479	11,000	11,500
Vessels boarded and papers examined	143,692	150,000	160,000
Port security cards issued	13,392	40,000	25,000
Inspection of hazardous cargo	16,818	17,000	17,000
Navigational aids operated (manned)	488	488	488
Navigational aids operated (unmanned)	38,616	39,841	40,917
Loran transmitting stations operated	45	48	54
Marine officer licenses issued	29,343	28,000	28,000
Seaman documents and certificates issued	56,170	60,000	60,000
Vessels inspected for certification	4,514	6,369	2,346
Other vessel inspections	33,663	36,563	41,129
Vessel plans and blueprints reviewed	29,000	39,000	44,000
Vessels numbered by Coast Guard (lieu of documentation)	461,117	507,175	557,900
Structures inspected (Outer Continental Shelf Lands Act)	60	650	650

4. *Repair and supply facilities.*—There are 62 repair and 11 supply facilities maintained at strategic points for support of Coast Guard operating units. Also, 2 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 actual*	*1959 estimate*	*1960 estimate*
Training and recruiting facilities:				
Cadets	498	538	550	550
Recruits trained	5,168	3,118	3,700	3,600
Other personnel in training	4,782	4,589	5,000	5,000

6. *Administration and operational control.*—This activity provides for administrative services performed by headquarters at Washington, D. C., district and area offices, and regional inspection offices, and for liaison activities with other agencies.

7. *Other military personnel expenses.*—This activity provides for certain military personnel expenses such as social security, the pay of personnel in hospitals 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 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.

9. *Relation of costs to accrued expenditures.*—This appropriation contains a limitation on accrued expenditures in accord with Public Law 85–759, approved August 25, 1958. Since this is the first year this type of limitation has been included, and because it will be necessary to extend the control system, the amount of the limitation exceeds by 10% the amount of accrued expenditures shown in the schedules. This will allow for the development of a system to provide the necessary control of the receipt of goods and services at the widely dispersed delivery points in the Coast Guard with a minimum of additional cost.

The relationship between direct costs and direct accrued expenditures is derived from year-end balances of accrued resources and applicable adjustments as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Direct program:				
Accrued resources at end of year:				
Stores (goods and operating equipment unconsumed by projects)	$35.165,002	$32,768,084	$30,209,795	$31,388,146
Advances (payments for goods and services on order not yet received)	1,407,969	1,177,754	1,302,073	1,302,073
Uncompleted work orders	948,094	726,913	412,594	412,594
Total accrued resources at end of year	37,521,065	34,672,751	31,924,462	33,102,813
Accrued resources at start of year (−)		−37,521,065	−34,672,751	−31,924,462
Adjustments of accrued resources reported at start of year		576,592	----------	----------
Costs financed from accrued expenditures of other years, net (−)		−2,271,722	−2,748,289	----------
Expenditures accrued for costs of other years, net		----------	----------	1,178,351

Reimbursable program 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 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

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COAST GUARD—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

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 TACK, for the Department of Defense. In order to make possible more realistic charges for services rendered to industry, draft legislation will be presented to the Congress to (1) change laws which now either prohibit or limit the collection of fees and (2) authorize the Coast Guard to charge for fuel and supplies furnished public and commercial vessels.

12. *Relation of costs to accrued expenditures.*—The relationship between reimbursable costs and reimbursable accrued expenditures is derived from year-end balances of accrued resources as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Reimbursable program:				
Accrued resources at end of year:				
Advances (payments for goods and services on order not yet received)	$750	$9,187	$9,187	$9,187
Uncompleted work orders	68,718	96,384	96,384	96,384
Total accrued resources	69,468	105,571	105,571	105,571
Accrued resources at start of year (−)		−69,468	−105,571	−105,571
Adjustment of accrued resources reported at start of year		−2,821		
Expenditures accrued for costs of other year, net		33,282		

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Direct obligations:						
Military:						
Average number	26,079		26,201		26,970	
Number of military personnel at end of year	25,993		26,185		26,908	
Civilian:						
Total number of permanent positions	3,349		3,341		3,393	
Full-time equivalent of all other positions	64		70		70	
Average number of all employees	3,126		3,179		3,208	
Number of employees at end of year	3,428		3,513		3,542	
Average GS grade and salary	5.6	$4,621	5.7	$5,204	5.7	$5,266
Average grade and salary established by head of agency:						
Average salary		$3,487		$3,714		$3,715
Average range (lighthouse keepers)		$3,309–$3,750		$3,309–$3,750		$3,309–$3,750
Average salary of ungraded positions		$4,872		$4,875		$4,875
01 Personal services:						
Permanent positions:						
Military		$91,747,860		$97,332,677		$100,427,902
Civilian		14,755,070		15,639,996		15,900,615
Positions other than permanent		360,445		402,565		402,565
Other personal services		243,215		251,210		289,393
Total personal services		107,106,590		113,626,448		117,020,475
02 Travel		4,676,363		4,719,566		4,987,287
03 Transportation of things		2,630,204		2,754,187		3,155,006
04 Communication services		1,125,928		1,079,971		1,247,881
05 Rents and utility services		1,305,337		1,357,203		1,335,203
06 Printing and reproduction		408,861		427,259		450,079

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Direct obligations—Continued			
07 Other contractual services	$12,260,929	$12,317,315	$15,451,637
Services performed by other agencies	3,075,204	3,317,314	3,317,314
08 Supplies and materials	24,036,856	24,172,988	27,047,314
09 Equipment	9,710,146	11,196,483	13,116,074
10 Lands and structures	224,009	250,000	250,000
11 Grants, subsidies, and contributions	894,123	1,142,810	1,168,010
12 Pensions, annuities, and insurance claims	1,213,926	977,904	484,019
13 Refunds, awards, and indemnities	73,246	57,302	57,302
15 Taxes and assessments	1,327,663	1,523,825	1,832,974
1959 program obligated in 1958	1,111,356	−1,111,356	
Subtotal	171,180,741	177,809,219	190,920,575
Deduct quarters and subsistence charges	21,530	20,575	20,575
Total direct obligations	171,159,211	177,788,644	190,900,000
Reimbursable obligations:			
Total number of positions: Military	3,228	3,393	3,246
Full-time equivalent of all other positions	5	7	7
Average number of all employees	3,233	3,400	3,253
Number of employees at end of year	3,373	3,400	3,253
01 Personal services:			
Military	$10,546,480	$11,956,860	$11,379,018
Other personal services	$27,312	$35,272	$35,272
Total personal services	10,573,792	11,992,132	11,414,290
02 Travel	551,031	899,930	441,660
03 Transportation of things	263,244	393,906	491,938
04 Communication services	96,941	122,749	122,139
05 Rents and utility services	6,387	65,000	65,000
06 Printing and reproduction	9,242	41,041	41,041
07 Other contractual services	2,969,164	4,566,839	8,631,531
08 Supplies and materials	7,947,863	10,650,009	9,234,190
09 Equipment	2,542,459	1,552,842	460,286
11 Grants, subsidies, and contributions	2,093	225	225
12 Pensions, annuities, and insurance claims	165,444	159,657	15,300
15 Taxes and assessments	169,927	154,440	182,400
Total reimbursable obligations	25,297,587	30,598,770	31,100,000
Total obligations	196,456,798	208,387,414	222,000,000

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); [$18,000,000; including $2,000,000 for new dormitory facilities at the Coast Guard Academy] *$24,500,000,* to remain available until expended: *Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $20,000,000: Provided further, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account: Provided further, That not to exceed 5 per centum of any limitation on annual accrued expenditures herein made for the Coast Guard may be transferred to any other such limitation of the Coast Guard, but no limitation shall be increased or decreased by more than 5 per centum as a result of such transfers. (Title 14 U. S. C.; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, [a] **$18,150,000** Estimate 1960, **$24,500,000**

[a] Includes $150,000 appropriated in Supplemental Appropriation Act, 1959.

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Program and Financing

	Costs			Analysis of 1960 financing		
	1958 actual	1959 estimate	1960 estimate	Deduct accrued resources and unpaid undelivered orders, start of year	Add accrued resources and unpaid undelivered orders, end of year	Appropriation required for 1960
Program by activities:						
Direct program:						
1. Vessels	$568,149	$4,839,907	$8,900,000	$3,500,000	$1,500,000	$6,900,000
2. Aviation facilities	9,855,124	13,651,936	4,251,800	7,990,000	14,688,200	10,950,000
3. Shore stations and navigational aids	1,547,498	2,653,104	3,864,200	472,600	904,400	4,296,000
4. Repair and supply facilities	8,489	3,180,567	1,653,300	499,300	1,200,000	2,354,000
5. Training and recruiting facilities	213,681	330,000	1,550,000	1,670,000	120,000	
6. Loran to meet Department of Defense requirements	64,169					
Total direct program costs	12,257,110	24,655,514	20,219,300	14,131,900	18,412,600	24,500,000
Unfunded adjustment to total direct program costs: Property or services transferred in (−) without charge, net	−10,000					
Total direct program costs, funded	12,247,110	24,655,514	20,219,300			
7. Relation of costs to accrued expenditures:						
Costs financed from accrued expenditures of other years, net (−)		−1,863,343	−2,000,000			
Expenditures accrued for costs of other years, net	582,137					
Total direct accrued expenditures	12,829,247	22,792,171	18,219,300			
Unpaid undelivered orders brought forward (−)	−4,056,256	−19,559,888	−10,631,900			
Adjustment of unpaid undelivered orders brought forward	238,000					
Unpaid undelivered orders carried forward	19,559,888	10,631,900	16,912,600			
Total direct program (obligations)	28,570,879	13,864,183	24,500,000			
Reimbursable program:						
2. Aviation facilities	110,674					
6. Loran to meet Department of Defense requirements	1,164,318	26,629,842	22,200,000			
Total reimbursable program costs	1,274,992	26,629,842	22,200,000			
7. Relation of costs to accrued expenditures: Costs financed from accrued expenditures of other years, net (−)	−2,551	−219,434				
Total reimbursable accrued expenditures	1,272,441	26,410,408	22,200,000			
Unpaid undelivered orders brought forward (−)	−361,473	−7,679,525	−5,000,000			
Unpaid undelivered orders carried forward	7,679,525	5,000,000	6,000,000			
Total reimbursable program (obligations)	8,590,493	23,730,883	23,200,000			
Total program (obligations)	37,161,372	37,595,066	47,700,000			
Financing:						
1959 appropriation available in 1958	−4,922,676	4,922,676				
Unobligated balance brought forward:						
Direct appropriations	−8,152,062	−636,858				
Reimbursable	−6,821,376	−3,730,884				
Advances and reimbursements from other accounts	−5,500,000	−20,000,000	−23,200,000			
Recovery of prior year obligations	−238,000					
Unobligated balance carried forward:						
Direct appropriations	636,858					
Reimbursable	3,730,884					
Appropriation (new obligational authority)	15,895,000	18,150,000	24,500,000			

This appropriation provides for the capital acquisition of the Coast Guard.

Direct program—1. *Vessels.*—Under the 1960 program, 15 patrol boats will be constructed to replace the least serviceable of forty-five 83-foot wooden-hull craft built during World War II. In addition, 1 lightship capable of extended service will be reengined and modernized, and 2 unsuitable buoy boats will be replaced.

2. *Aviation facilities.*—This program for the orderly replacement of overage aircraft was recommended in a joint report submitted to the Congress by the Secretary of the Treasury and the Commandant to assure the continued safe and effective operation of Coast Guard aircraft. The 1960 program entails the procurement of 2 SC–130B (Lockheed Hercules) turboprop landplanes to replace 2 Douglas Skymasters (R5D) aircraft. Spare parts will be obtained for 23 UF aircraft transferred from the Air Force at no cost but without spares. These UF's will replace P4Y's and PB1G's. In addition, certain necessary improvements will be accomplished at 1 air detachment and 5 air stations.

3. *Shore stations and navigational aids.*—This activity comprises the establishment of aids to navigation in waterways 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. It includes improvements at certain shore facilities and the replacement of those facilities destroyed by fire, storm, or general deterioration. Under Public Law 85–241, the 60 inadequate public quarters will either be repaired or demolished. In addition, overdue replacement of substandard barracks will be accomplished.

4. *Repair and supply facilities.*—This request provides for the consolidation of facilities at 1 Coast Guard base to improve efficiency of operations, the construction of wharf facilities at 2 bases, additional mooring and other facilities at 2 other bases, and replacement of the electrical system at another base.

7. *Relation of costs to accrued expenditures.*—This appropriation contains a limitation on accrued expenditures in accord with Public Law 85–759, approved August 25, 1958. Since this is the first year this type of limitation has been included, and because it will be necessary to extend the control system, the amount of the limitation exceeds by 10% the amount of accrued expenditures shown in the schedules. This will allow for the development of a system to provide the necessary control of the receipt of goods and services at the widely dispersed delivery points in the Coast Guard with a minimum of

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COAST GUARD—Continued

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ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS—Continued

additional cost. A provision authorizing partial transfer between this limitation and that for Operating expenses is also included.

The relationship between direct costs and direct accrued expenditures is derived from year-end balances of accrued resources as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Direct program:				
Accrued resources at end of year:				
Advances (payments for goods and services on order not yet received)	$4,287,123	$4,535,511	$3,500,000	$1,500,000
Work in process	494,083	827,832	----------	----------
Total selected resources at end of year	4,781,206	5,363,343	3,500,000	1,500,000
Accrued resources at start of year (−)	----------	−4,781,206	−5,363,343	−3,500,000
Costs financed from accrued expenditures of other years, net (−)	----------	----------	−1,863,343	−2,000,000
Expenditures accrued for costs of other years, net	----------	582,137	----------	----------

Reimbursable program—6. *Loran to meet Department of Defense requirements.*—Funds have been provided by the Department of Defense for the construction of 6 Loran stations with support facilities. The construction program for 1960 contemplates 8 more stations.

7. *Relation of costs to accrued expenditures.*—The relationship between reimbursable costs and reimbursable accrued expenditures is derived from year-end balances of accrued resources as reflected in the following table:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Reimbursable program:				
Accrued resources at end of year: Work in process	$221,985	$219,434	----------	----------
Accrued resources at start of year (−)	----------	−221,985	−$219,434	----------
Costs financed from accrued expenditures of other years, net (−)	----------	−2,551	−219,434	----------

Object Classification

	1958 actual	1959 estimate	1960 estimate
Direct obligations:			
Average number of temporary employees	29	53	64
Number of employees at end of year	37	53	64
01 Personal services: Positions other than permanent	$190,186	$388,865	$490,000
02 Travel	30,499	101,975	177,300
03 Transportation of things	13,900	18,000	15,000
04 Communication services	259	----------	----------
06 Printing and reproduction	1,794	----------	----------
07 Other contractual services	2,878,598	480,000	158,100
08 Supplies and materials	1,088,915	1,116,005	1,930,000
09 Equipment	16,571,403	12,590,265	15,566,426
10 Lands and structures	2,860,663	4,064,194	6,124,950
11 Grants, subsidies, and contributions	10,744	27,035	37,609
15 Taxes and assessments	1,242	520	615
1959 program obligated in 1958	4,922,676	−4,922,676	----------
Total direct obligations	28,570,879	13,864,183	24,500,000
Reimbursable obligations:			
Total number of positions: Military	25	29	176
Full-time equivalent of all other positions	36	95	95
Average number of all employees	30	124	271
Number of employees at end of year	40	124	271
01 Personal services:			
Military	$89,434	$198,180	$843,380
Positions other than permanent	87,450	612,743	622,310
Total personal services	176,884	810,923	1,465,690
02 Travel	40,380	304,500	456,750
03 Transportation of things	15,181	255,000	380,100
04 Communication services	55	----------	----------
05 Rents and utility services	75	----------	----------
07 Other contractual services	397,621	----------	----------

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Reimbursable obligations—Continued			
08 Supplies and materials	$140,770	$276,000	$414,000
09 Equipment	7,211,738	6,245,087	7,126,682
10 Lands and structures	602,423	15,785,196	13,272,795
11 Grants, subsidies, and contributions	4,636	52,652	78,983
15 Taxes and assessments	730	1,525	5,000
Total reimbursable obligations	8,590,493	23,730,883	23,200,000
Total obligations	37,161,372	37,595,066	47,700,000

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, [$27,800,000] *$29,900,000. (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; 70 Stat. 510; Treasury-Post Office Appropriation Act, 1959.)*

Appropriated 1959, **$27,800,000** Estimated 1960, **$29,900,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Enlisted men	$10,554,982	$11,622,344	$12,199,766
2. Commissioned officers	10,555,232	11,547,878	12,139,258
3. Chief warrant and warrant officers	3,416,662	3,812,201	4,091,464
4. Former Lighthouse and Lifesaving Service	1,626,575	1,613,271	1,578,611
5. Reserve personnel	48,778	64,306	80,901
6. Survivors' benefits	−164,261	−160,000	−190,000
Total program (costs—obligations)	26,037,968	28,500,000	29,900,000
Financing:			
Unobligated balance no longer available	32	----------	----------
New obligational authority	26,038,000	28,500,000	29,900,000
New obligational authority:			
Appropriation	$26,400,000	$27,800,000	$29,900,000
Transferred (72 Stat. 241) to—			
"Salaries and expenses," Internal Revenue Service	−340,000	----------	----------
"Operating expenses," Coast Guard	−22,000	----------	----------
Appropriation (adjusted)	26,038,000	27,800,000	29,900,000
Proposed supplemental due to pay increases	----------	700,000	----------

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 lists retirements by involuntary and voluntary reasons. The involuntary retirements include those for age, physical disability, and forced attrition. The voluntary retirements include those retiring for length of service and other optional retirements.

TYPE OF RETIREMENTS

	1958 actual		*1959 estimate*		*1960 estimate*	
	Involuntary	*Voluntary*	*Involuntary*	*Voluntary*	*Involuntary*	*Voluntary*
Total on roll, beginning of year	4,641	4,049	4,581	4,330	4,656	4,640
Additions to rolls:						
Commissioned	48	43	91	42	102	38
Warrant	16	36	40	53	36	52
Enlisted	86	192	121	228	120	230
Former Lighthouse and Lifesaving Service	14	18	22	12	18	12
Reserve (Public Law 810)	-----	2	-----	5	-----	16
Total additions	164	291	274	340	276	348
Less attritions	224	10	199	30	205	30
Total on roll, end of year	4,581	4,330	4,656	4,640	4,727	4,958

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6. *Survivors' benefits.*—This item shows the excess of deductions from retired pay over the payments to the survivors and is derived as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Survivors' benefit payments	$43,783	$55,000	$60,000
Deductions from retired payments	208,044	215,000	250,000
Net cost (savings)	−164,261	−160,000	−190,000

Object Classification

		1958 actual	1959 estimate	1960 estimate
12	Pensions, annuities, and insurance claims	$26,037,968	$28,500,000	$29,900,000

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] *two* passenger motor vehicles [of which four shall be] for replacement only; and the maintenance, operation, and repair of aircraft; $15,000,000: *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, 1959.*)

Appropriated 1959, **$15,000,000** Estimate 1960, **$15,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Trainee expense	$5,478,434	$7,930,670	$8,530,430
2. Operation of training facilities	3,043,946	3,462,590	3,460,360
3. Construction of training facilities	1,567,375	567,870	120,590
4. Administration	1,550,938	3,038,870	2,888,620
Total program costs	11,640,693	15,000,000	15,000,000
5. Unfunded adjustment to program costs: Property or services transferred in (−) without charge, net	−50,513		
Total program costs, funded	11,590,180	15,000,000	15,000,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	849,487		
Total program (obligations)	12,439,667	15,000,000	15,000,000
Financing:			
Unobligated balance no longer available	833		
New obligational authority	12,440,500	15,000,000	15,000,000
New obligational authority:			
Appropriation	$15,000,000	$15,000,000	$15,000,000
Transferred (72 Stat. 241) to—			
"Operating expenses," Coast Guard	−1,026,000		
"Salaries and expenses," Internal Revenue Service	−1,533,500		
Appropriation (adjusted)	12,440,500	15,000,000	15,000,000

The Reserve training program is designed to build up a trained Reserve to meet the mobilization manpower requirement of 40,000 trained officers and enlisted personnel.

1. *Trainee expense.*—The program for 1959 provides for an increase from 10,430 to 12,795 in the number of reservists to receive training. The 1960 program provides for a further increase to 16,440. This represents a phase in the planned build-up to 20,500 reserves in training by July 1, 1961, which in addition to 19,500 reservists with completed training, provides the full manpower requirements.

PLANNED TRAINING SCHEDULE

1959

	Trainees, June 30	*Man-days of training: Drills*	*Active duty*	*Total*
Type of training:				
48 drills, 15 days' active duty:				
Port security	8,063	369,984	85,260	455,244
Vessel augmentation	2,044	93,852	21,720	115,572
Rescue coordination	72	3,456	1,080	4,536
Electronics	38	1,824	570	2,394
Interservice, aviation	70	3,360	900	4,260
Interservice, other	252	12,096	3,030	15,126
Selective-service teams	11	528	165	693
Subtotal	10,550	485,100	112,725	597,825
24 drills, 15 days' active duty	220	5,280	2,400	7,680
6 months' active duty: Officer and enlisted	1,970	-------	643,510	643,510
Officers' Candidate School preceding active duty	55	-------	20,000	20,000
Total, all types	12,795	490,380	778,635	1,269,015

1960

	Trainees, June 30	*Man-days of training: Drills*	*Active duty*	*Total*
Type of training:				
48 drills, 15 days' active duty:				
Port security	10,333	434,233	96,859	531,092
Vessel augmentation	2,784	115,813	24,346	140,159
Rescue coordination	360	16,416	5,040	21,456
Electronics	190	8,664	2,660	11,324
Interservice, aviation	70	3,360	900	4,260
Interservice, other	252	12,096	3,030	15,126
Selective-service teams	11	528	165	693
Subtotal	14,000	591,110	133,000	724,110
24 drills, 15 days' active duty	720	5,280	10,080	15,360
6 months' active duty: Officer and enlisted	1,670	-------	589,710	589,710
Officers' Candidate School preceding active duty	50	-------	12,000	12,000
Total, all types	16,440	596,390	744,790	1,341,180

2. *Operation of training facilities.*—Twenty-five additional Organized Reserve training units will be in operation in 1960. The training pool at Alameda Base and the drill hall-gymnasium-training pool at Groton Training Station, which were completed in 1959, will be operated and maintained in 1960. In addition, provisions are made for the overhaul of training vessels and for increased maintenance costs at units providing summer training.

3. *Construction of training facilities.*—Projects for 1960 include the establishment and outfitting of 25 additional Organized Reserve training units; the renovation and equipping of selected minor shore establishments to handle a larger number of trainees for summer training; and the joint construction of training facilities with the Navy at Honolulu, T. H., and St. Louis, Mo.

4. *Administration.*—In addition to the supervisory and logistic functions for the Reserve training program this activity includes the recruiting program and the in-training and ineffectives allowance for administrative personnel at school, in transit, etc.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$382,592	$1,044,995	$1,044,995	$1,044,995
Advances (payment for goods and services on order not yet received)	102,168	265,251	265,251	265,251
Total selected resources at end of year	484,760	1,310,246	1,310,246	1,310,246
Selected resources at start of year (−)		−484,760	−1,310,246	−1,310,246
Adjustment of selected resources reported at start of year		24,001	----------	----------
Obligations incurred for costs of other years (net)		849,487	----------	----------

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COAST GUARD—Continued

Current authorizations—Continued

RESERVE TRAINING—Continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Military:			
Average number	611	984	899
Number of military personnel at end of year	687	920	899
Civilian:			
Total number of permanent positions	81	93	93
Average number of all employees	73	92	92
Number of employees at end of year	71	93	93
Average GS grade and salary	4.1 $3,760	4.2 $4,042	4.2 $4,244
01 Personal services:			
Permanent positions:			
Military	$2,711,818	$4,224,418	$4,054,969
Civilian	276,106	383,840	388,765
Other personal services	1,355	1,800	3,336
Drill and active duty pay of trainees	4,382,548	5,545,155	6,352,930
Total personal services	7,371,827	10,155,213	10,800,000
02 Travel	374,491	1,036,595	945,000
03 Transportation of things	13,387	27,000	25,000
04 Communication services	23,874	16,000	16,000
05 Rents and utility services	56,889	62,000	69,000
06 Printing and reproduction	7,484	10,000	10,000
07 Other contractual services	2,694,815	429,395	481,000
08 Supplies and materials	1,188,850	2,223,075	2,032,000
09 Equipment	143,736	234,270	184,000
10 Lands and structures	489,473	695,000	298,000
11 Grants, subsidies, and contributions	16,916	25,452	26,000
12 Pensions, annuities, and insurance claims	2,683		
13 Refunds, awards, and indemnities	425		
15 Taxes and assessments	54,817	86,000	114,000
Total obligations	12,439,667	15,000,000	15,000,000

Intragovernmental funds:

COAST GUARD SUPPLY FUND

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. The fund is financed by reimbursements from Coast Guard appropriations for goods purchased.

Budget program.—Costs of approximately $16.5 million to be incurred under this fund in 1960 are divided 69% for commissary provisions, 17% for general stores and technical materials, and 14% for uniform clothing.

Operating results.—Sales are expected to increase at the rate of approximately $715,000 in 1959 and $751,000 in 1960. For the most part this rise is attributable to the expansion of the Reserve training program and attendant activities.

The 10.8% rise in the inventory level between 1958 and 1960 is due to additions to present stock levels to handle increased volume. Transfers of material from other inventory accounts are not anticipated during 1960.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale:			
Clothing	$2,006,913	$2,107,258	$2,212,621
Commissary supplies	10,442,901	10,965,046	11,513,298
General stores	2,836,396	2,978,216	3,127,126
Increase in selected working capital	136,437		
Total gross expenditures	15,422,647	16,050,520	16,853,045

Sources and Application of Funds (Operations)—Continued

	1958 actual	1959 estimate	1960 estimate
Receipts from operations (funds provided):			
Sale of commodities:			
Clothing	$1,871,284	$2,246,065	$2,249,892
Commissary supplies	10,485,753	10,758,081	11,449,427
General stores	2,724,543	2,792,055	2,847,896
Total receipts from operations	15,081,580	15,796,201	16,547,215
Budget expenditures	341,067	254,319	305,830

Revenue, Expense, and Retained Earnings

Revenue:			
Clothing	$1,871,284	$2,246,065	$2,249,892
Commissary supplies	10,485,753	10,758,081	11,449,427
General stores	2,724,543	2,792,055	2,847,896
Total revenue	15,081,580	15,796,201	16,547,215
Expense:			
Clothing	1,720,703	2,246,065	2,249,892
Commissary supplies	10,485,753	10,758,081	11,449,427
General stores	2,766,458	2,852,055	2,847,896
Total expense	14,972,914	15,856,201	16,547,215
Net income or loss (—) for the year	108,666	—60,000	
Retained earnings, beginning of year	140,420	249,086	189,086
Retained earnings, end of year	249,086	189,086	189,086

Financial Condition

Assets:			
Cash with Treasury	$2,165,975	$1,911,656	$1,605,826
Accounts receivable, net	1,209,098	1,209,098	1,209,098
Advances	2,960		
Commodities for sale:			
Clothing	1,852,277	1,713,470	1,676,199
Commissary supplies	967,176	1,174,141	1,238,012
General stores	2,345,978	2,532,139	2,811,369
Total assets	8,543,464	8,540,504	8,540,504
Liabilities:			
Current	1,527,930	1,524,970	1,524,970
Government investment:			
Non-interest-bearing capital:			
Start of year	6,410,326	6,766,448	6,826,448
Transfer of material from other inventory accounts (70 Stat. 1077)	356,122	60,000	
End of year	6,766,448	6,826,448	6,826,448
Retained earnings	249,086	189,086	189,086
Total Government investment	7,015,534	7,015,534	7,015,534

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $916,390; 1958, $668,726; 1959, $668,726; 1960, $668,726.

Object Classification

	1958 actual	1959 estimate	1960 estimate
08 Supplies and materials	$15,037,716	$16,047,560	$16,853,045

COAST GUARD YARD FUND

This fund finances industrial operations at the Coast Guard Yard, Curtis Bay, Md. (14 U. S. C.). The yard finances its operations out of advances received from Coast Guard appropriations and from other agencies for all direct and indirect costs.

ANALYSIS BY TYPE OF WORK

	Percent		
	1958 actual	*1959 estimate*	*1960 estimate*
Vessel repairs and alterations	46	42	43
Vessel construction	34	33	34
Small boat construction	10	12	10
Small boat repair and scrap processing	1	1	1
Buoy fabrication	4	5	5
Fabrication of special items	5	7	7

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ANALYSIS BY RECIPIENT OF YARD SERVICES

	Percent		
	1958 actual	*1959 estimate*	*1960 estimate*
Coast Guard	83	89	89
Other Government agencies	17	11	11

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$82,836	$191,600	$90,000
Expense:			
Purchase of raw materials	4,718,924	4,481,435	4,639,832
Other expense	8,396,664	8,723,306	9,182,499
Increase in selected working capital		1,447,473	772,501
Total gross expenditures	13,198,424	14,843,814	14,684,832
Receipts from operations (funds provided):			
Sales of goods and services	13,374,575	13,311,407	13,951,200
Proceeds from sale of equipment	2,519	2,400	1,500
Decrease in selected working capital	2,742,831		
Total receipts from operations	16,119,925	13,313,807	13,952,700
Budget expenditures	−2,921,501	1,530,007	732,132

Revenue, Expense, and Retained Earnings

Revenue	$14,480,052	$14,411,407	$15,121,200
Expense	14,301,040	14,465,088	15,104,499
Net operating income or loss (−)	179,012	−53,681	16,701
Nonoperating loss (−):			
Proceeds from sale of equipment	2,519	2,400	1,500
Net book value of assets sold (−)	−7,839	−12,000	−8,000
Net loss (−) from sale of equipment	−5,320	−9,600	−6,500
Net income or loss (−) for the year	173,692	−63,281	10,201
Retained earnings or deficit (−), beginning of year	−120,612	53,080	−10,201
Retained earnings or deficit (−), end of year	53,080	−10,201	

Financial Condition

Assets:			
Cash with Treasury	$4,662,139	$3,132,132	$2,400,000
Accounts receivable, net	155,769	160,500	150,000
Inventories:			
Raw materials	1,934,168	1,894,168	1,904,000
Finished goods	204,314	193,314	195,000
Land, structures, and equipment, net	6,853,777	6,862,630	6,796,630
Total assets	13,810,167	12,242,744	11,445,630
Liabilities:			
Current	5,311,473	3,857,731	3,076,416
Government investment:			
Non-interest-bearing capital:			
Start of year	8,782,886	8,445,614	8,395,214
Donations in or out (−), net	−116,931	170,600	200,000
Depreciation not recoverable from operations (−)	−220,341	−221,000	−226,000
End of year	8,445,614	8,395,214	8,369,214
Retained earnings or deficit (−)	53,080	−10,201	
Total Government investment	8,498,694	8,385,013	8,369,214

NOTE.—Unpaid undelivered orders are as follows: June 30, 1957, $533,664; 1958, $1,669,607; 1959, $1,000,000; 1960, $900,000.
Unfilled customers orders are as follows: June 30, 1957, $1,423,292; 1958, $4,066,539; 1959, $2,588,653; 1960, $1,816,214.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Military:			
Average number	59	65	65
Number of military personnel at end of year	55	65	65
Civilian:			
Total number of permanent positions	1,331	1,370	1,403
Average number of all employees	1,326	1,365	1,398
Number of employees at end of year	1,414	1,332	1,390
Average GS grade and salary	5.6 $5,027	5.8 $5,107	5.8 $5,196
Average salary of ungraded positions	$5,279	$5,363	$5,360
01 Personal services:			
Permanent positions:			
Military	$301,045	$327,386	$327,386
Civilian	6,747,436	7,261,545	7,453,600
Other personal services	558,303	310,511	571,000
Total personal services	7,606,784	7,899,442	8,351,986
02 Travel	4,580	7,122	7,500
03 Transportation of things	40,502	36,120	40,000
04 Communication services	18,565	23,400	25,000
05 Rents and utility services	159,368	190,536	200,000
06 Printing and reproduction	4,649	5,300	5,000
07 Other contractual services	125,706	146,793	150,000
08 Supplies and materials	4,572,199	4,439,685	4,597,131
09 Equipment	82,836	191,600	90,000
11 Grants, subsidies, and contributions	415,705	414,406	415,000
13 Refunds, awards, and indemnities	1,990	2,400	2,400
15 Taxes and assessments	11,713	28,537	30,000
Total accrued expenditures	13,044,597	13,385,341	13,914,017
Increase or decrease (−) in undelivered orders	1,135,943	−669,606	−100,000
Total obligations	14,180,540	12,715,735	13,814,017

INTEREST ON THE PUBLIC DEBT

Permanent authorizations:

INTEREST ON THE PUBLIC DEBT

(Indefinite)

Appropriated (est.) 1959, **$7,500,000,000**
Estimate 1960, **$8,000,000,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of interest (total obligations)	$7,606,774,062	$7,500,000,000	$8,000,000,000
Financing:			
Appropriation (new obligational authority)	7,606,774,062	7,500,000,000	8,000,000,000

Such amounts are appropriated as may be necessary to pay the interest each year on the public debt (31 U. S. C. 711 (2) and 732). With the exception of savings bonds and bonds of investment series A of 1965, interest is computed on an accrual basis. Interest on savings bonds and the 1965 investment series is computed on a due and payable basis.

Payment of interest during 1958 was distributed among the following categories:

Marketable	$4,581,894,298
Savings bonds	1,526,247,924
Special issues	1,223,042,207
Other nonmarketable issues	275,589,633

Object Classification

	1958 actual	1959 estimate	1960 estimate
14 Interest	$7,606,774,062	$7,500,000,000	$8,000,000,000

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MEMORANDUM

STATUTORY PUBLIC DEBT RETIREMENTS

Permanent authorizations:

CUMULATIVE SINKING FUND

(Indefinite)

Appropriated (est.) 1959, **$633,349,085**

Estimate 1960, **$633,349,085**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$10,791,211,268	−$11,424,560,353	−$12,057,909,438
Unobligated balance carried forward	11,424,560,353	12,057,909,438	12,691,258,523
Appropriation	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, 767a and b).

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1960

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 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	$120,995	75	$15,000	$105,995	432		Official transportation between customhouses, wharves, airports, and piers, for surveillance of suspects in criminal conspiracy cases.
INTERNAL REVENUE SERVICE								
Salaries and expenses	100	151,760	90	10,500	141,260	1,268		All vehicles to be used by alochol and tobacco tax and intelligence agents enforcing internal revenue laws.
Station wagon						11		Do.
BUREAU OF NARCOTICS								
Salaries and expenses						227		All cars to be used by narcotics agents in enforcing narcotic and marihuana laws.
Station wagon						4		Do.
BUREAU OF ENGRAVING AND PRINTING								
Bureau of Engraving and Printing revolving fund.						1		Use in the transaction of official business.
Station wagon	1	1,950	1	110	1,840	2		Transporting armed guards protecting Government securities.
UNITED STATES SECRET SERVICE								
Salaries and expenses	37	56,750	25	3,750	53,000	176	2,409	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	1	1,950	1	200	1,750	1		To transport guards at bullion depository.
COAST GUARD								
Operating expenses	8	12,000	8	800	11,200	94		Use by employees in transaction of official business.
Station wagon	4	7,800	4	600	7,200	32		Do.
Ambulance						6		Do.
Bus						11	6,070	Do.
Reserve training: Station wagon						4	1,070	Use by employees in transaction of official business for the administration of the reserve training program.
Coast Guard yard fund						2		Use by officers and employees in the transaction of official business at Curtis Bay, Md.
Station wagon						3		Do.
Ambulance						1		Do.
Total, Coast Guard	12	19,800	12	1,400	18,400	153	7,140	
Total, Treasury Department	226	353,205	204	30,960	322,245	2,281	10,049	

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1960

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						130	$12,974,611	For official use of Coast Guard in performance of assigned duties and carrying of passengers in connection therewith when necessary.
Acquisition, construction, and improvements.	2	$6,950,000			$6,950,000			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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DISTRICT OF COLUMBIA

New obligational authority of $69.6 million is recommended for Federal payments and loans to the District of Columbia for 1960, representing a sharp increase from the $37.4 million for 1959. Expenditures, however, are estimated to rise by a much smaller amount—$3.7 million to a 1960 level of $41.6 million.

Interest-bearing loans for capital outlays account for $35.4 million, more than one-half the new obligational authority requested for 1960. These include $19.5 million for schools and other general construction under new authority provided by the last Congress, $13.1 million for the highway fund, and $2.8 million for the water fund.

Recommended new obligational authority for the Federal payment of $32 million for the general fund of the District is the full amount of the increased annual Federal payment provided by the last Congress. It compares with appropriations of $20 million already enacted for 1959, plus an anticipated supplemental appropriation of $9 million made necessary by increases in the salaries of District employees. The 1960 budget also includes appropriations of $2.2 million to pay for water and sewage services rendered by the District to the Federal Government.

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. 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. This volume of the budget contains detail only for the Federal payments and loans to the District.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
General government:						
609 Territories and possessions, and the District of Columbia	$32,136	$37,361	$69,618	$24,504	$37,907	$41,622

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

[In thousands]

Account title	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES (from new and prior authorizations)						
		1958 enacted	1959 estimate		1960 estimate	1958 actual	1959 estimate			1960 estimate		
			Enacted	Proposed for later transmission			Enacted	Proposed for later transmission	Total	Recommended	Proposed for later transmission	Total
Current authorizations:												
Federal payment to District of Columbia	609	$22,504	$22,861		$34,218	$22,504	$22,861		$22,861	$34,218		$34,218
Loans to District of Columbia for capital outlay, general fund	609				19,500							
Loans to District of Columbia for capital outlay, highway fund	609	6,481	5,500		13,100		2,000		2,000	5,000		5,000
Loans to District of Columbia for capital outlay, water fund	609	1,600			2,800	2,000	4,046		4,046	2,404		2,404
Loans to District of Columbia for capital outlay, sanitary sewage works fund	609	1,550										
Proposed for later transmission (other than pay increase supplementals):												
Under existing legislation: Federal payment to District of Columbia	609			$9,000				$9,000	9,000			
Total new obligational authority and budget expenditures		32,136	28,361	9,000	69,618	24,504	28,907	9,000	37,907	41,622		41,622
RECAPITULATION												
Enacted or recommended in this document:												
Current authorizations:												
Appropriations		$32,136	$28,361		$69,618	$24,504	$28,907			$41,622		
Proposed for later transmission:												
Appropriations			9,000				9,000					
Total new obligational authority and budget expenditures		32,136	37,361		69,618	24,504	37,907			41,622		

ANALYSIS OF UNEXPENDED BALANCES

BY ACCOUNT TITLE

[In thousands]

Account title	Balance, start of 1958		Balance, start of 1959		Balance, start of 1960		Fiscal year 1960			Balance, start of 1961	
							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							$34,218	$34,218			
Loans to District of Columbia for capital outlay, general fund							19,500			$19,500	$19,500
Loans to District of Columbia for capital outlay, highway fund	$14,757	$14,757	$21,238	$21,238	$24,738	$24,738	13,100		$5,000	32,838	32,838
Loans to District of Columbia for capital outlay, water fund	20,180	20,180	19,780	19,780	15,734	15,734	2,800		2,404	16,130	16,130
Loans to District of Columbia for capital outlay, sanitary sewage works fund	2,750	2,750	4,300	4,300	4,300	4,300				4,300	4,300
Total, District of Columbia	37,687	37,687	45,318	45,318	44,772	44,772	69,618	34,218	7,404	72,768	72,768
RECAPITULATION											
Enacted or recommended in this document:											
Appropriations	$37,687	$37,687	$45,318	$45,318	$44,772	$44,772	$69,618	$34,218	$7,404	$72,768	$72,768

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1958 actual	1959 estimate	1960 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document: Appropriations	$37,687	$45,318	$44,772
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	32,136	28,361	69,618
Proposed for later transmission: Appropriations		9,000	
Total new obligational authority	32,136	37,361	69,618
Total budget authorizations available	69,823	82,679	114,390
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	24,504	28,907	34,218
Out of balances of prior obligational authority			7,404
Total expenditures from obligational authority enacted or recommended	24,504	28,907	41,622
From obligational authority proposed for later transmission: Out of new obligational authority		9,000	
Total budget expenditures	24,504	37,907	41,622
Balances carried forward at close of year from authorizations enacted or recommended in this document: Appropriations	45,318	44,772	72,768
Obligations incurred, net	$24,504	$37,907	$41,622

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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, [1959] *1960,* 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] *$32,000,000,* which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1958, and of which $7,000,000 shall be available for capital outlay only] *1959*), (2) the highway fund (when designated as payable therefrom), established by law (D. C. Code, title 47, ch. 19), [and $431,600, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, 1958),] (3) the water fund (when designated as payable therefrom), established by law (D. C. Code, title 43, ch. 15), and [$1,732,000] *$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, [1958] *1959*), (4) the sanitary sewage works fund (when designated as payable therefrom), established by law (Public Law 364, 83d Congress), and [$697,000] *$686,000,* which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1958] *1959*), 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, [$5,500,000] *$35,400,000,* 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) *and the Act of June 6, 1958 (72 Stat. 183),* to be advanced upon request of the Commissioners to the [highway fund] *following funds: general fund, $19,500,000, highway fund, $13,100,000, and water fund, $2,800,000. (District of Columbia Appropriation Act, 1959.)*

Appropriated 1959, **$22,860,600** Estimate 1960, **$34,218,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payment to District of Columbia	$20,000,000	$20,000,000	$32,000,000
2. Payments for water and sewer service	2,504,450	2,429,000	2,218,000
3. Payments for highways		431,600	
Total obligations	22,504,450	22,860,600	34,218,000
Financing:			
Appropriation (new obligational authority)	22,504,450	22,860,600	34,218,000

The Federal payment includes $32,000,000 as the authorized annual payment by the United States toward defraying expenses of the government of the District of Columbia and $2,218,000 as payment for water and sewer services (61 Stat. 361; 68 Stat. 113; 70 Stat. 83; 72 Stat. 183).

Object Classification

	1958 actual	1959 estimate	1960 estimate
05 Rents and utility services	$2,504,450	$2,429,000	$2,218,000
11 Grants, subsidies, and contributions	20,000,000	20,431,600	32,000,000
Total obligations	22,504,450	22,860,600	34,218,000

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, GENERAL FUND

Estimate 1960, **$19,500,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance carried forward			$19,500,000
Appropriation (new obligational authority)			19,500,000

This appropriation is for 30-year interest-bearing loans from the United States Treasury to assist in financing the construction of facilities required for activities financed by the general fund of the District of Columbia (72 Stat. 183). The status of the $75 million authorization is:

[Cumulative figures]

	1958 actual	*1959 estimate*	*1960 estimate*
Appropriations			$19,500,000
Funds withdrawn			
Amounts repaid			

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, HIGHWAY FUND

Appropriated 1959, **$5,500,000** Estimate 1960, **$13,100,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Improvement of the District of Columbia highway system (total obligations)		$2,000,000	$5,000,000
Financing:			
Unobligated balance brought forward	−$14,757,000	−21,238,100	−24,738,100
Unobligated balance carried forward	21,238,100	24,738,100	32,838,100
Appropriation (new obligational authority)	6,481,100	5,500,000	13,100,000

This appropriation is for 30-year interest-bearing loans from the United States 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]

	1958 actual	*1959 estimate*	*1960 estimate*
Appropriations	$21,238,100	$26,738,100	$39,838,100
Funds withdrawn		2,000,000	7,000,000
Amounts repaid			

Object Classification

	1958 actual	1959 estimate	1960 estimate
16 Investments and loans		$2,000,000	$5,000,000

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, WATER FUND

Estimate 1960, **$2,800,000**

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Loans for the expansion and improvement of the District of Columbia water system (total obligations)	$2,000,000	$4,046,000	$2,404,000
Financing:			
Unobligated balance brought forward	−20,180,000	−19,780,000	−15,734,000
Unobligated balance carried forward	19,780,000	15,734,000	16,130,000
Appropriation (new obligational authority)	1,600,000		2,800,000

This appropriation is for 30-year interest-bearing loans from the United States 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:

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FEDERAL FUNDS—Continued

Current authorizations—Continued

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, WATER FUND—Continued

[Cumulative figures]

	1958 actual	*1959 estimate*	*1960 estimate*
Appropriations	$29,880,000	$29,880,000	$32,680,000
Funds withdrawn	10,100,000	14,146,000	16,550,000
Amounts repaid	153,648	277,230	618,230

Object Classification

	1958 actual	1959 estimate	1960 estimate
16 Investments and loans	$2,000,000	$4,046,000	$2,404,000

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, SANITARY SEWAGE WORKS FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	−$2,750,000	−$4,300,000	−$4,300,000
Unobligated balance carried forward	4,300,000	4,300,000	4,300,000
Appropriation (new obligational authority)	1,550,000	----------	----------

This appropriation is for 30-year interest-bearing loans from the United States 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 $5,000,000 authorization, cumulative to 1958, shows appropriations of $4,300,000, with no funds withdrawn, and no amounts repaid.

Proposed for later transmission:

FEDERAL PAYMENT TO DISTRICT OF COLUMBIA

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to District of Columbia (total obligations)	----------	$9,000,000	----------
Financing:			
Proposed supplemental appropriation	----------	9,000,000	----------

Under existing legislation, 1959.—In addition to the appropriation of $20 million of the authorized $32 million Federal payment, it is anticipated that a supplemental appropriation of $9 million will be required to finance additional general fund expenditures resulting from recent salary increases and the related retirement expenses for classified, teachers, police, and fire personnel of the District of Columbia.

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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 K 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 K 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

Trust fund receipts in 1960 are estimated to total $20.5 billion and trust fund expenditures $20.3 billion. Thus the net accumulation in the trust funds during 1960 will be $200 million.

As indicated in the following table, trust fund receipts will be rising at a faster rate than expenditures.

TOTAL TRUST FUND TRANSACTIONS

[In millions]

	1958 actual	*1959 estimate*	*1960 estimate*
Receipts	$16,329	$17,585	$20,477
Expenditures	16,069	18,884	20,259
Net accumulation	260	−1,299	218

While trust fund transactions are excluded from the budget receipts and expenditures, they nevertheless are a significant part of the program of the Government. For some functions—labor and welfare or commerce and housing—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 1960.

A table on page 880, at the end of this statement, presents trust and deposit fund expenditures by function for years 1949 through 1960.

While there are many 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]

	1958 actual	*1959 estimate*	*1960 estimate*
Federal old-age and survivors insurance:			
Receipts	$7,900	$8,438	$10,457
Expenditures	8,116	9,656	10,577
Balance in fund at end of year	22,813	21,594	21,473
Federal disability insurance:			
Receipts	943	984	1,056
Expenditures	181	417	524
Balance in fund at end of year	1,098	1,666	2,198
Railroad retirement:			
Receipts	695	1,008	962
Expenditures	730	776	813
Balance in fund at end of year	3,668	3,900	4,049
Federal employees' retirement funds (civil service and foreign service):			
Receipts	1,458	1,722	1,682
Expenditures	699	836	947
Balance in fund at end of year	8,294	9,180	9,914
Unemployment trust fund:			
Receipts	1,855	1,905	2,018
Expenditures	3,148	2,954	2,511
Balance in fund at end of year	7,765	6,716	6,222
Veterans life insurance funds:			
Receipts	707	712	721
Expenditures	664	662	658
Balance in fund at end of year	6,829	6,878	6,941
Highway trust funds:			
Receipts	2,134	2,143	2,912
Expenditures	1,602	2,553	3,136
Balance in fund at end of year	1,049	639	415
Federal National Mortgage Association:			
Gross receipts	1,228	656	763
Gross expenditures	1,333	1,015	1,248
Net trust expenditures	105	359	485

Social security insurance and staff retirement programs for retirement, disability, or death.—The first four trust funds listed above provide insurance against the loss of income due to retirement, disability, or death. Payments are made primarily from moneys derived from payroll contributions of employers, employees, and the self-employed. These receipts are invested in securities of the Federal Government and earn interest.

The first two funds were authorized by the Social Security Act of 1935, as amended, and comprise the so-called Federal old-age, survivors, and disability insurance (OASDI) program. The railroad retirement program was first established by the Railroad Retirement Act of 1935 and in its present form, closely coordinated with OASDI, serves as a combined social insurance and staff retirement system for workers in the railroad industry. While there is an increase in receipts in 1959 and 1960 in this trust fund, primarily due to reinsurance payments from the old-age and survivors insurance trust fund, the railroad fund is still operating at an actuarial deficit.

Although some temporary employees are covered under OASDI, most Federal civilian workers are under the staff retirement programs authorized by the Civil Service Retirement Act of 1920, as amended, or the Foreign Service Retirement Act of 1946, as amended. Since January 1, 1957, military personnel have been covered under OASDI on a contributory basis, as well as under the military retirement system which is financed directly from appropriations from budget funds.

The following table indicates the number of individuals receiving monthly benefits at the end of each year:

[In thousands]

	Federal old-age and survivors' insurance	*Federal disability insurance*	*Railroad retirement account*	*Civil service and foreign service*
Retired individuals: [1]				
1958 actual	8,586	---	383	230
1959 estimate	9,374	---	399	255
1960 estimate	9,903	---	413	279
Disabled individuals and their dependents:				
1958 actual	39	190	91	85
1959 estimate	66	470	93	95
1960 estimate	104	642	95	104
Survivors: [2]				
1958 actual	3,118	---	234	108
1959 estimate	3,366	---	246	139
1960 estimate	3,623	---	256	151

[1] Includes wives under age 65 with children in their care under old-age and survivors' insurance.

[2] Includes children of retired workers under old-age and survivors' insurance.

In August 1958 legislation was enacted increasing the old-age and survivors' insurance and the Federal disability benefits. In the latter program the legislation also provided monthly benefits for wives and children of disabled workers. 1960 is the first full year reflecting expenditures under these liberalizations. In addition, the legislation provided for increases in the combined employer and employee tax on payroll to the current rate of 5% beginning January 1, 1959, and to 6% beginning January 1, 1960. As a result of these increases in contributions, receipts in the Federal old-age and survivors insurance trust fund should again exceed expenditures in 1961.

Unemployment trust fund.—This program was also authorized by the Social Security Act of 1935, as amended. Payroll taxes paid by employers under State laws and the Federal Unemployment Insurance Tax Act or under the Railroad Unemployment Act are deposited in this trust fund. The States and the Railroad Retirement Board

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draw upon this fund to pay weekly benefits to eligible unemployed workers.

Benefits paid out by the States in 1958 during the recession months offset about one-third of the wages lost due to unemployment. The Federal Government enacted a temporary program in 1958, as an emergency antirecession measure, to provide temporary extended benefits to eligible unemployed workers. This program expires April 1, 1959. Benefits under it are budget expenditures.

At present under the Federal Unemployment Tax Act an employment tax of 0.3% flows through budget funds, where it is chiefly used for grants to States for administering unemployment compensation benefits as well as employment services. Legislation will be proposed to convert this entirely to a trust fund operation, so the administration of the regular State unemployment compensation program will be financed similarly to the old-age, survivors, and disability insurance and the railroad retirement and railroad unemployment compensation programs. This proposed change would affect both budget receipts and expenditures equally.

Veterans' life insurance.—These two trust funds provide life insurance primarily for veterans of the two World Wars. Receipts of these trust funds come from premiums paid by veterans, interest on the investments, and transfers by the Federal Government from budget funds to cover losses resulting from war hazards. The bulk of the payments in 1960 is estimated to consist of $256 million in dividends to about 6.3 million policyholders and $401 million paid out to survivors of deceased veterans or veterans with disabilities or completed term policies.

Highway trust fund.—Receipts from certain excise taxes on motor fuels, tires, and vehicles are used to finance expenditures (mainly grants to the States) for Federal-aid highways.

Under existing legislation current receipts from the excise taxes plus the balance in the period would be less than expenditures in 1960 and receipts in later years would continue to fall below the expenditures. Accordingly the 1960 budget recommends an increase in the highway-related gasoline and diesel fuel taxes as well as other revisions designed to finance other highway improvements from excise taxes paid by highway users. The 1960 estimates include amounts under the proposed legislation.

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. Funds required for mortgage purchases in 1960 will be obtained: (*a*) from private sources through the sale of the Association's debentures; (*b*) through mortgage sales and repayments; (*c*) by the purchases of common stock which are required of all mortgage sellers. Net trust expenditures will increase to $359 million in 1959 and $485 million in 1960 as a result of mortgage purchases considerably in excess of sales.

The following table summarizes trust fund expenditures by functions for 1949 through 1960. The marked increase in the labor and welfare function stems mainly from the expansion and liberalization in the social security insurance programs. The major reason for the increase in commerce and housing is the Federal-aid highway program, which started as a trust fund in 1956.

TRUST AND DEPOSIT FUND EXPENDITURES BY MAJOR FUNCTION

ACTUAL THROUGH 1958

[In millions]

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Major national security	$22	$51	$34	$144	$126	$146	$164	$143	$93	$344	$376	$164
International affairs and finance	49	46	−6	97	9	3	7	4	5	15	13	14
Veterans' services and benefits	416	3,125	695	1,095	669	779	628	606	608	671	670	666
Labor and welfare	2,490	3,370	3,058	3,816	4,594	6,079	7,476	8,067	9,647	12,854	14,598	15,344
Agriculture and agricultural resources	30	24	12	17	22	11	22	29	148	244	−97	22
Natural resources	17	20	15	15	15	16	20	23	33	32	36	29
Commerce and housing	2	−6	−23	−3	1	(*)	−86	118	1,934	1,713	2,915	3,624
General government	200	188	222	208	228	286	258	216	268	293	344	395
Interest		(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Adjustment to daily Treasury statement basis	165	68	190	88	95							
Deposit funds, net [1]	463	77	−544	−160	−471	−115	57	229	225	−97	29	2
Total	3,852	6,964	3,654	5,317	5,288	7,204	8,546	9,436	12,961	16,069	18,884	20,259

[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

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Legislative branch:							
Library of Congress:							
Gift and trust fund income accounts:							
Cataloging project	500	$9	$9	$9	$10	$9	$9
Gift fund	200	651	660	650	594	652	636
Income from investment account	200	17	20	15	17	25	20
Payment of interest on bequest of Gertrude M. Hubbard	650	1	1	1	2	2	2
Payment of interest on permanent loan	650	147	169	176	129	187	190
Service fees	200	501	525	550	482	533	525
Principal accounts, permanent loan	200	----------	650	----------	----------	----------	----------
Total, legislative branch	------	1,326	2,034	1,401	1,234	1,408	1,382
The judiciary:							
Judicial survivors annuity fund	600	513	534	551	285	340	369
Funds appropriated to the President:							
Mutual security:							
Advances for economic assistance	150	----------	----------	----------	----------	2	----------
Advances, Mutual Security Act	050	242,945	360,631	208,857	342,665	375,000	163,000
Philippine assistance	150	----------	----------	----------	1,186	723	----------
Technical assistance, U. S. dollars advanced from foreign governments	150	1,334	1,300	----------	687	900	850
President's special international program, contributions	150	625	32	----------	----------	657	----------
Total, funds appropriated to the President	------	244,904	361,963	208,857	344,538	377,282	163,850
Independent offices:							
American Battle Monuments Commission: Contributed flower fund	100	2	2	2	2	2	2
Civil Service Commission:							
Civil service retirement and disability fund:							
Interest and profit on investments	200	194,052	212,714	223,834			
Deductions from employees' salaries, etc.	200	664,452	746,620	720,720			
Payments from other funds:					696,405	832,739	943,800
Employing agency contributions	200	583,900	746,620	720,720			
Voluntary contributions, donations, service credit payments, etc.	200	10,688	10,980	10,948			
Total, civil service retirement and disability fund	------	1,453,093	1,716,934	1,676,222	696,405	832,739	943,800
Employees' life insurance fund	200	----------	----------	----------	−37,422	−55,318	−41,005
Total, Civil Service Commission	------	1,453,093	1,716,934	1,676,222	658,983	777,421	902,795
Farm Credit Administration: Operating fund, Federal intermediate credit banks	350	----------	----------	----------	222,866	−126,335	----------
Federal Aviation Agency: Gifts and donations	500	134	325	100	54	245	187
Foreign Claims Settlement Commission: War claims fund	600	----------	3,750	----------	3,282	3,507	89
General Accounting Office: Proceeds from estates of American citizens who die abroad	600	----------	1	1	3	3	3
Historical and memorial commissions: Alexander Hamilton Bicentennial Commission: donations	600	53	----------	----------	91	----------	----------
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration	500	----------	----------	----------	282	1,069	100
National Capital Planning Commission: Contributed fund	600	38	446	1,562	270	446	1,562
National Science Foundation: Donations	200	3	3	3	----------	----------	----------
Railroad Retirement Board:							
Railroad retirement account:							
Interest and profit on investments	200	120,277	110,000	112,500			
Taxes	200	574,899	560,000	575,000	729,748	776,400	813,400
Payment from Federal old-age and survivors insurance and Federal disability insurance trust funds	200	----------	338,411	275,000			
Total, railroad retirement account	------	695,176	1,008,411	962,500	729,748	776,400	813,400
Railroad unemployment insurance administration fund	200	9,449	9,150	8,891	8,233	9,500	8,520
Total, Railroad Retirement Board	------	704,625	1,017,561	971,391	737,981	785,900	821,920
Smithsonian Institution: Canal Zone biological area fund	200	7	8	8	5	7	7
United States Information Agency: United States dollars advanced from foreign governments	150	95	10	10	49	61	10
Veterans Administration:							
Adjusted service certificate fund	100	----------	----------	----------	193	235	235
General post funds, national homes	100	1,603	1,597	1,600	2,039	2,839	2,800
National service life insurance fund:							
Premium and other receipts							
Interest on investments	100	639,784	646,958	659,169	543,619	575,003	573,276
Payments from general and special funds							

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Independent offices—Continued							
Veterans Administration—Continued							
United States Government life insurance fund:							
Premiums and other receipts	100	$67,353	$64,871	$61,846	$119,917	$86,867	$84,601
Interest on investments							
Total, Veterans Administration		708,740	713,426	722,615	665,768	664,944	660,912
General Services Administration:							
General activities: Advances from international organizations, Mutual Security Act	150	1,480			1,395	85	
Records activities:							
National Archives trust fund	600				11	−43	−37
National Archives gift fund	600	66	75	75	32	73	68
Total, General Services Administration		1,546	75	75	1,438	115	31
Housing and Home Finance Agency:							
Federal National Mortgage Association: Secondary market operations fund	500				105,151	359,463	485,000
Department of Agriculture:							
Agricultural Research Service:							
Expenses and refunds, inspection and grading of farm products	350	347	330	330	342	325	329
Expenses, feed and attendants for animals in quarantine	350	15	15	15	16	17	14
Miscellaneous contributed funds	350	210	257	250	255	307	264
Extension Service: Miscellaneous contributed funds	350	2	5	5	2	5	5
Soil Conservation Service:							
Technical services and other assistance, agricultural conservation program	350	7,669	590		7,625	3,425	
Miscellaneous contributed funds	350	192	250	250	178	230	240
Agricultural Marketing Service:							
Expenses and refunds, inspection and grading of farm products	350	18,286	17,161	16,917	17,834	17,451	17,074
Miscellaneous contributed funds	350	146	58	56	170	68	57
Commodity Stabilization Service: Miscellaneous contributed funds	350	78	14	15	33	61	18
Farmers' Home Administration: State rural rehabilitation funds	350				−8,384	7,205	3,780
Office of Information: Miscellaneous contributed funds	350	2			2	2	
Forest Service:							
Cooperative work	400	12,679	13,000	13,000	13,968	13,000	13,000
Miscellaneous contributed funds	400				13	12	8
Technical services and other assistance, agricultural conservation program	400	14	20	20	12	21	20
Total, Department of Agriculture		39,641	31,700	30,858	32,067	42,129	34,809
Department of Commerce:							
Bureau of the Census: Special statistical work	200	1,770	1,760	1,500	1,988	1,850	1,650
Business and Defense Services Administration:							
Expenses, transcripts of studies, tables, and other records	500	319	300	300	290	300	300
Special statistical work	500	11	10	10	12	10	10
Maritime activities: United States Merchant Marine Academy, Kings Point, N. Y., donations for chapel and library	500	210	30	30	11	200	475
Bureau of Public Roads:							
Highway trust fund:							
Taxes	500	2,116,028	2,130,000	2,217,000			
Interest	500	17,686	13,000	5,000			
Federal-aid highways	500				1,511,395	2,450,534	3,002,000
Refund and labor standards	500				90,121	102,000	100,000
Proposed legislation:							
Forest and public lands highways	500						41,100
Other, net	500			690,000			−7,000
Cooperative work, forest highways	500	218	74		329	183	
Equipment, supplies, etc., for cooperating countries	150	4,708	5,000	5,000	5,670	5,714	5,500
Technical assistance, United States dollars advanced from foreign governments	150	5,536	4,500	4,000	5,327	4,662	4,000
Contributed funds, highways for Alaska	500	1,432	1,581	1,383	1,423	1,284	1,383
Funds contributed for improvement of roads, bridges, and trails, Alaska	500	100			102		
National Bureau of Standards: Gifts and bequests	200	140	40	20	170	148	50
Weather Bureau: Special statistical work	600	66	52		63	62	4
Total, Department of Commerce		2,148,226	2,156,347	2,924,243	1,616,902	2,566,947	3,149,472
Department of Defense—Military Functions:							
Advances for supplies and expenses, United Nations Korean Reconstruction Agency, Army	060				368	20	
Kermit Roosevelt fund, Army	060	1	2	2	2	3	3
National Guard armory construction, State-contributed funds, Army	060				18	2	
General gift fund, Army	060	39	6	6	4	35	8

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Department of Defense—Military Functions—Continued							
Naval reservation, Olongapo civic fund	060	$604	$698	$721	$693	$705	$708
U. S. Naval Academy general gift fund	060	3	3	3	2	2	3
U. S. Naval Academy museum fund	060	1	1	1	2	1	1
U. S. Department of the Navy general gift fund	060	28	15	15		10	15
Office of Naval Records and library fund	060	14	13	13			
General gift fund, Air Force	060	7	8	8		15	8
Total, Department of Defense—Military Functions		696	746	769	1,091	793	746
Department of Defense—Civil Functions:							
Rivers and harbors and flood control, Army:							
Rivers and harbors advance fund	400				−140	338	
Rivers and harbors contributed fund	400	9,772	13,533	8,055	11,353	16,000	11,000
Advances and reimbursements, Corps of Engineers, Army	400					2	
Ryukyu Islands, Army: Proceeds of remittances to and exports from Ryukyu Islands, Army	150				−1		
United States Soldiers' Home:							
Stoppages, fines, and forfeitures	100	8,510	8,400	8,400			
Estates of deceased soldiers and airmen	100	475	480	480			
Withheld pay	100	1,623	1,515	1,515			
Interest credited	100	2,423	2,600	2,900			
All other	100	36	36	36			
Maintenance and operation	100				4,965	5,000	5,250
Capital outlay	100						
Payment of claims	100				31	31	31
United States Soldiers' Home revolving fund	100				4	−3	−6
Total, Department of Defense—Civil Functions		22,839	26,564	21,386	16,212	21,368	16,275
Department of Health, Education, and Welfare:							
Freedmen's Hospital:							
Conditional gift fund	200				1	1	
Unconditional gift fund	200	9			2	7	
Public Health Service:							
Patients' benefit fund	200	24	25	25	30	26	25
Conditional gift fund	200	62	72	98	21	124	100
Unconditional gift fund	200	25	21	19	84	6	7
Saint Elizabeths Hospital:							
Patients' benefit fund	200	1			1	1	1
Conditional gift fund	200	2			10	1	
Total, Department of Health, Education, and Welfare		124	118	142	148	166	133
Department of the Interior:							
Bonneville Power Administration: Construction of electric transmission lines and substations, contributions, Bonneville Power project	400	331	862		540	940	600
Bureau of Land Management:							
Contributed funds	400	533	500	500	292	300	300
Expenses, public survey work	400	25	25	25	23	25	25
Trustee funds, Alaska townsites	400	23	25	25	28	25	25
Bureau of Indian Affairs:							
Indian moneys, proceeds of labor, agencies, schools, etc	600	3,486	3,890	3,800	3,598	3,831	3,740
Indian tribal funds	600	54,709	70,000	70,000	67,183	65,305	45,900
Licenses under Federal Power Act from Indian reservations	600	180	180	180			
Bureau of Reclamation: Reclamation trust funds	400	1,680	377	214	1,659	730	240
Geological Survey: Advances, authorized services	400	1,344	1,400	1,400	1,342	1,400	1,400
Bureau of Mines: Contributed funds	400	714	850	800	786	824	808
National Park Service:							
Donations	400	374	550	250	811	1,053	525
National Park trust fund	400	7	6	6	4	5	5
Preservation, birthplace of Abraham Lincoln	400	2	2	2		1	
Fish and Wildlife Service:							
Bureau of Sport Fisheries and Wildlife contributed funds	400	46	50	50	132	70	55
Bureau of Commercial Fisheries:							
Contributed funds	400	838	829	834	804	870	815
Inspection and grading of fishery products	400		170	170		150	185
Total, Department of the Interior		64,291	79,716	78,256	77,204	75,529	54,623

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Department of Justice:							
Federal Prison System: Commissary funds	200				$79	−$11	−$20
Office of Alien Property:							
Alien property fund, World War II	600				−26,245	−30,261	−5,229
International Claims Settlement Act, title II fund	600				5,681	1,427	1,555
Alien property fund, Philippines, World War II	150				13	32	2,938
Total, Department of Justice					−20,472	−28,813	−756
Department of Labor:							
Office of the Secretary: Advances from international organizations, Mutual Security Act	150	$10			3	7	
Bureau of Employment Security: Salaries and expenses	200	6,079			5,656	415	
Bureau of Employees' Compensation:							
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended	600	34	$33	$32	20	118	72
Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia	600	5	5	5	3	5	5
Advances and reimbursements	600					−1	−1
Bureau of Labor Statistics: Special statistical work	200	41	43		35	57	9
Total, Department of Labor		6,168	81	37	5,716	601	85
Department of State:							
Foreign Service retirement and disability fund:							
General fund:							
Employers' contributions	200	1,667	2,025	2,360			
Interest on investments	200	945	1,023	1,105	2,698	2,977	3,140
Employees' contributions	200	1,997	1,761	1,830			
Total, Foreign Service retirement and disability fund		4,609	4,809	5,295	2,698	2,977	3,140
Foreign Service Institute unconditional gift fund	150	63			34	29	
Educational exchange:							
Education of Iranian students in the United States	150				1	5	4
U.S. dollars advanced from foreign governments	150	521	300	200	501	325	325
Indemnification funds, foreign governments	150	100			100		
Total, Department of State		5,293	5,109	5,495	3,333	3,336	3,469
Treasury Department:							
Office of the Secretary:							
Federal disability insurance trust fund:							
Taxes	200	862,862	870,000	940,000			
Deposits by States	200	63,542	65,000	67,000			
Interest on investments	200	16,131	39,975	48,969	180,819	417,320	523,941
Payment from railroad retirement account	200		9,000				
Total, Federal disability insurance trust fund		942,534	983,975	1,055,969	180,819	417,320	523,941
Federal old-age and survivors insurance trust fund:							
Taxes	200	6,870,362	7,354,000	9,276,000			
Deposits by States	200	472,089	550,000	660,000			
Interest on investments	200	555,398	532,901	519,836	8,116,171	9,656,020	10,577,549
Interest payments by railroad retirement account	200	1,588					
Other	200	457	621	679			
Total, Federal old-age and survivors insurance trust fund		7,899,893	8,437,522	10,456,515	8,116,171	9,656,020	10,577,549
Pershing Hall memorial fund	600	5	5	5	5	5	5
Unemployment trust fund:							
Deposits by States	200	1,500,686	1,600,000	1,700,000			
Deposits by Railroad Retirement Board	200	90,442	100,000	110,000			
Interest on investments	200	230,881	205,000	202,000	3,147,959	2,954,292	2,511,478
General fund: "Payment to unemployment trust fund," Treasury Department	200	39,532		5,612			
Less transfer of receipts to Department of Labor	200	6,079					
Total, unemployment trust fund		1,855,462	1,905,000	2,017,612	3,147,959	2,954,292	2,511,478

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	196 estimate
Treasury Department—Continued							
Bureau of Accounts:							
Bulgarian claims fund	600	$2,121	$500	$255	$101	$181	$2,606
Hungarian claims fund	600	277	3,000	650		1,200	2,790
Italian claims fund	600				182	461	4,107
Mexican claims fund	600				10	10	10
Rumanian claims fund	600	3,519	4,000	3,980	126	538	25,429
Soviet claims fund	600				769	1,000	6,125
Yugoslav claims fund	600				1,718	100	290
Losses in melting gold	600	8	5	5		1	1
Adjustment in increment from reduction in weight of gold dollar	600		−135,616				
Deposits of unclaimed moneys of individuals whose whereabouts are unknown	600	4					
National defense conditional gift fund	060	14			12	37	
Payment of pre-1934 bonds of the Government of the Philippines	600	127	80	80	1,055	166	3,209
Payment of unclaimed moneys	600	357	350	350	43	100	100
Bureau of Customs:							
Refunds, transfers, and expenses of operation, Virgin Islands	600	412	425	450	428	425	450
Refunds, transfers, and expenses of operation, Puerto Rico	600	7,312	7,600	7,900	7,089	7,599	7,900
Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods	600	328	325	325	232	325	325
Internal Revenue Service: Expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands	600	132	110	126	117	131	133
Coast Guard: General gift fund	500	5	5	9	9	11	9
Total, Treasury Department		10,712,512	11,207,286	13,544,231	11,456,845	13,039,922	13,666,457
District of Columbia:							
Revenue	600	177,447	222,207	246,856	227,272	286,830	293,588
Payment from general fund, Federal payment	600	37,130	37,907	41,622			
Total, District of Columbia		214,577	260,114	288,478	227,272	286,830	293,588
Deposit funds:							
Legislative branch					311	−100	150
The Judiciary					102		
Executive Office of the President					−19	−25	−27
Funds appropriated to the President					111	1,297	−366
Independent Offices:							
Atomic Energy Commission					−176		
Civil Service Commission					782	775	775
Farm Credit Administration					2,945	6,955	3,526
Federal Home Loan Bank Board					3,291	865	1,100
Veterans Administration					−3,122	−3,000	−3,000
Other					1,223	2,008	689
General Services Administration					−771	−450	−90
Housing and Home Finance Agency					−120		
Department of Agriculture					3,655	−794	−771
Department of Commerce					853	4,326	4,690
Department of Defense—Military Functions					56,197	28,684	8,933
Department of Defense—Civil Functions					−7,833	−4,318	−5,102
Department of Health, Education, and Welfare					−959	−889	−889
Department of the Interior					−42,357	−24,990	−25,015
Department of Justice					−935	−1,040	−1,000
Department of Labor					26	−50	−25
Post Office Department					767		
Department of State					−278	275	275
Treasury Department					−101,646	18,000	18,000
District of Columbia					−1,478	1,395	−186
Total, trust fund receipts and expenditures		16,329,445	17,584,853	20,476,693	16,069,165	18,883,610	20,258,787
Deduct trust fund expenditures		16,069,165	18,883,610	20,258,787			
Net accumulation in trust funds		260,280	−1,298,757	217,906			
Net increase or decrease (−) in cash balances due to trust fund debt and investment transactions (from special analysis K)		235,370	747,728	−325,204			
Increase or rease (−) in deccash balances resulting from trust fund operations		495,650	−551,029	−107,298			
RECAPITULATION							
Trust funds:							
Existing legislation		$16,329,445	$17,584,853	$19,786,693	$16,158,599	$18,854,686	$20,223,020
Proposed legislation				690,000			34,100
Deposit funds, net:							
Purchase of U. S. securities (quasi-governmental enterprises)					461,375	28,924	1,667
Sales and redemptions of obligations in the market (quasi-governmental enterprises)					167,166		
Other					−717,975		
Total trust fund receipts and expenditures		16,329,445	17,584,853	20,476,693	16,069,165	18,883,610	20,258,787

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SUMMARY OF MAJOR TRUST FUND BALANCES AVAILABLE AT START OF YEAR

[Including U. S. securities]

	1958	1959	1960	1961
Federal disability insurance trust fund	$337,258	$1,098,973	$1,665,628	$2,197,656
Federal employees' retirement funds	7,535,204	8,293,803	9,179,830	9,914,406
Federal old-age and survivors insurance trust fund	23,028,878	22,812,600	21,594,102	21,473,068
Highway trust funds	516,335	1,048,534	639,000	414,900
Railroad retirement account	3,702,796	3,668,223	3,900,264	4,049,364
Unemployment trust fund	9,057,924	7,765,428	6,716,136	6,222,270
Veterans' life insurance funds	6,784,938	6,828,539	6,878,498	6,941,636
Total	50,963,333	51,516,100	50,573,458	51,213,300

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		
		1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Independent offices:										
Civil Service Commission: Employees' life insurance fund	200	$75,410	$78,815	$81,658	$112,831	$134,133	$122,663	−$37,422	−$55,318	−$41,005
Farm Credit Administration: Operating fund, Federal intermediate credit banks	350	2,792,537	1,307,079		2,569,671	1,433,414		222,866	−126,335	
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration	500	37,737	30,226	22,035	37,455	29,157	21,935	282	1,069	100
General Services Administration:										
Records activities: National Archives trust fund	600	146	135	145	135	178	182	11	−43	−37
Housing and Home Finance Agency:										
Federal National Mortgage Association: Secondary market operations fund	500	1,333,101	1,014,970	1,247,963	1,227,950	655,507	762,963	105,151	359,463	485,000
Department of Agriculture:										
Farmers' Home Administration: State rural rehabilitation funds	350	11,285	17,618	9,646	19,669	10,413	5,866	−8,384	7,205	3,780
Department of Defense—Civil Functions:										
United States Soldiers' Home: United States Soldiers' Home revolving fund	100	98	94	91	93	97	97	4	−3	−6
Department of Justice:										
Federal Prison System: Commissary funds, Federal prisons	200	1,869	1,789	1,790	1,790	1,800	1,810	79	−11	−20
Office of Alien Property:										
Alien property fund, World War II	600	18,943	24,750	20,776	45,187	55,011	26,005	−26,245	−30,261	−5,229
Alien property fund, Philippines, World War II	150	52	1,210	3,030	39	1,178	92	13	32	2,938
International Claims, Settlement Act, title II fund	600	6,373	2,632	1,855	692	1,205	300	5,681	1,427	1,555
Total, trust revolving funds		4,277,551	2,479,318	1,388,989	4,015,512	2,322,093	941,913	262,036	157,225	447,076

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LEGISLATIVE BRANCH

LIBRARY OF CONGRESS

Library of Congress Gift and Trust Fund Income Accounts

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of library materials	$78,131	$80,315	$81,000
2. Reader and reference services	868,721	913,225	919,192
3. Organization of the collections	312,487	370,075	371,808
4. Information service on copyright materials	10,797	9,000	9,000
Total obligations	1,270,136	1,372,615	1,381,000
Financing:			
Unobligated balance brought forward	661,307	716,794	727,704
Receipts:			
Library of Congress gift fund	651,283	659,725	650,000
Income from investment account	16,524	20,000	15,000
Interest on bequest of Gertrude M. Hubbard	800	800	800
Interest on permanent loan	146,942	169,000	176,000
Service fees	500,671	525,000	550,000
Cataloging project, Copyright Office	9,403	9,000	9,000
Unobligated balance carried forward	−716,694	−727,704	−747,504
Total financing	1,270,136	1,372,615	1,381,000

This schedule covers (1) funds received as gifts for immediate expenditure and receipts from the sale of recordings and photoduplication materials financed from capital originally 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 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 1958, 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 1958 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 1958, the preparation of the 16th edition of Dewey Classification was continued, lists of East European accessions were prepared and distributed, and experiments were conducted in cataloging materials prior to publication to permit inclusion of the entry in the publication.

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 1958 and estimates for 1959 and 1960 are as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Library of Congress gift fund	$617,083	$631,600	$635,500
Service fees	484,182	517,615	525,000
Cataloging project, Copyright Office	10,797	9,000	9,000
Library of Congress trust fund, income from investment account	25,906	25,000	20,000
Payment of interest on permanent loan account	130,001	186,900	190,000
Payment of interest on bequest of Gertrude M. Hubbard	2,167	2,500	1,500
Total obligations	1,270,136	1,372,615	1,381,000

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Number of employees at end of year	159	160	160
01	Personal services	$825,997	$875,800	$889,000
02	Travel	20,585	25,000	20,000
03	Transportation of things	668	1,025	1,000
04	Communication services	10,117	13,500	14,000
05	Rents and utility services	3,892	440	500
06	Printing and reproduction	9,695	31,350	20,000
07	Other contractual services	125,747	127,500	135,000
08	Supplies and materials	91,153	128,350	130,000
09	Equipment	96,201	69,200	70,000
11	Grants, subsidies, and contributions	64,220	74,950	76,000
13	Refunds, awards, and indemnities	21,861	25,500	25,500
	Total obligations	1,270,136	1,372,615	1,381,000

Library of Congress Trust Fund Principal Accounts

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward:			
Cash	$3,660,619	$3,780,760	$4,430,760
U. S. securities (par)	135,800	15,800	15,800
Receipts	141	650,000	
Unobligated balance carried forward:			
Cash	−3,780,760	−4,430,760	−4,446,560
U. S. securities (par)	−15,800	−15,800	
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, 1958, the principal in the permanent loan account, which shall not exceed the sum of $5 million (2 U. S. C. 158; 31 U. S. C. 725s), was distributed as follows:

Music activities	$1,906,951
Fine arts	396,556
American history	307,040
Hispanic activities	260,578
Poetry and literature	301,150
Miscellaneous purposes	588,485
Total principal	3,760,760

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.

THE JUDICIARY

Judicial Survivors Annuity Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payment of claims	$294,351	$337,800	$364,100
2. Refunds	1,161	2,700	4,800
3. Premiums (including interest accrued) on investments purchased	291		
Total obligations	295,803	340,500	368,900

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THE JUDICIARY—Continued

JUDICIAL SURVIVORS ANNUITY FUND—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward:			
Cash	$26,788	$10,477	$3,877
U. S. securities (par)	760,000	1,000,000	1,200,000
Gain from premium or discount on investments	6,552		
Receipts:			
Contributions to the fund	485,907	500,400	512,000
Interest on investments	27,033	33,500	39,100
Unobligated balance carried forward:			
Cash	−10,477	−3,877	−16,077
U. S. securities (par)	−1,000,000	−1,200,000	−1,370,000
Total financing	295,803	340,500	368,900

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, 1958, there were 339 judicial members and 130 survivor annuitants. It is estimated that in 1959 and 1960 there will be respectively 357 and 365 judges covered by the system and that the number of survivor annuitants will total 135 and 140 in each of the respective years.

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$294,642	$337,800	$364,100
13 Refunds, awards, and indemnities	1,161	2,700	4,800
Total obligations	295,803	340,500	368,900

FUNDS APPROPRIATED TO THE PRESIDENT

MUTUAL SECURITY

MUTUAL SECURITY TRUST FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Advances, Mutual Security Act	$342,468,701	$395,000,000	$248,000,000
2. Advances for economic assistance		204	
3. Philippine assistance	1,243,363	149,726	
4. Technical assistance, United States dollars advanced from foreign governments	1,498,848	1,400,000	183,795
Total obligations	345,210,912	396,549,930	248,183,795
Financing:			
Unobligated balance brought forward:			
Cash	248,436,413	148,521,059	113,901,657
Obligational authority granted in advance of receipts (68 Stat. 836)	186,915,747	248,550,095	172,919,567
Receipts:			
Advances, Mutual Security Act	242,945,103	360,630,528	208,856,878
Technical assistance, United States dollars advanced from foreign governments	1,334,036	1,300,000	
Obligational authority granted in advance of receipts (68 Stat. 836)	199,004,933	120,000,000	105,000,000
Applied to prior obligational authority	−136,354,166	−195,630,528	−138,856,878
Unobligated balance carried forward:			
Cash	−148,521,059	−113,901,657	−72,365,230
Obligational authority granted in advance of receipts (68 Stat. 836)	−248,550,095	−172,919,567	−141,272,199
Total financing	345,210,912	396,549,930	248,183,795

1. *Advances, Mutual Security Act.*—Payments are received from foreign nations for military supplies, equipment, and services which the United States military departments transfer from their stocks or procure under contract. In most cases, cash payments are made before delivery. However, when determined by the President to be in the best interests of the United States, payments for deliveries of materiel from stock may be made within a reasonable time after delivery, not to exceed 3 years. Normally, this period is limited to 120 days. In the case of new procurement, the foreign governments must advance sufficient funds to meet required contract payments and, in addition, must provide the United States with a dependable undertaking to assure that no loss will accrue to the United States in case of contract cancellation or termination (Mutual Security Act of 1954, as amended, 22 U. S. C. 1816).

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. 1795 (b)).

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. 1795 (b)).

4. *Technical assistance, United States dollars advanced from foreign governments.*—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. 1795 (b)).

Object Classification

	1958 actual	1959 estimate	1960 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
02 Travel	$1,071	$1,000	
03 Transportation of things	1,195,345	1,100,000	$145,198
07 Other contractual services	1,008	1,000	
08 Supplies and materials	3,727	3,204	
09 Equipment	1,527,098	430,726	36,759
11 Grants, subsidies, and contributions	13,962	14,000	1,838
Total, International Cooperation Administration	2,742,211	1,549,930	183,795
ALLOCATION TO DEPARTMENT OF DEFENSE			
02 Travel	10,377	12,000	6,000
03 Transportation of things	4,588,014	5,113,000	2,880,000
07 Other contractual services	27,473,541	30,378,000	17,560,000
08 Supplies and materials	34,435,291	39,245,000	20,703,000
09 Equipment	272,279,769	319,752,000	206,351,000
13 Refunds	3,681,709	500,000	500,000
Total, Department of Defense	342,468,701	395,000,000	248,000,000
Total obligations	345,210,912	396,549,930	248,183,795

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Advances of foreign currency for technical assistance

[All amounts are stated in United States dollar equivalents computed at the rate of exchange current on June 30, 1957]

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Technical assistance operations (total obligations)	$12,488,069	$12,173,810	$3,005,706
Financing:			
Unobligated balance brought forward	941,191	3,019,435	3,005,706
Authorization to expend foreign currency receipts pursuant to 22 U. S. C. 1651	14,780,112	12,160,081	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−213,799		
Unobligated balance carried forward	−3,019,435	−3,005,706	
Total financing	12,488,069	12,173,810	3,005,706

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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.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3,168	2,129	
Full-time equivalent of all other positions	23	29	
Average number of all employees	2,530	2,106	
Number of employees at end of year	2,060	2,110	
Average salary of foreign nationals	$950	$957	
01 Personal services:			
Permanent positions	$2,361,500	$2,015,739	
Other personal services	757,585	778,468	
Total personal services	3,119,085	2,794,207	
02 Travel	2,810,869	2,839,637	$901,712
03 Transportation of things	378,207	378,294	128,228
04 Communication services	106,511	115,990	30,057
05 Rents and utility services	2,291,008	2,294,088	721,369
06 Printing and reproduction	35,706	40,470	15,458
07 Other contractual services	1,818,141	1,607,707	510,970
Services performed by other agencies	193,334	251,000	90,171
08 Supplies and materials	848,480	933,517	306,571
09 Equipment	272,331	304,965	90,171
11 Grants, subsidies, and contributions	613,275	612,615	210,399
13 Refunds, awards, and indemnities	1,122	1,320	600
Total obligations	12,488,069	12,173,810	3,005,706

Analysis of Expenditures

Obligated balance brought forward	$1,427,125	$2,359,398	$1,436,719
Obligations incurred	12,488,069	12,173,810	3,005,706
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−64,006		
Obligated balance carried forward	−2,359,398	−1,436,719	
Expenditures	11,491,790	13,096,489	4,442,425

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM, CONTRIBUTIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Participation in Brussels Exhibition	$407,769	$164,475	
2. Deposit to miscellaneous receipts		85,008	
Total obligations	407,769	249,483	
Financing:			
Unobligated balance brought forward		216,983	
Receipts	624,752	32,500	
Unobligated balance carried forward	−216,983		
Total financing	407,769	249,483	

This trust fund received contributions of States, municipalities, private corporations, and individuals for use in connection with the recent exhibition at Brussels. These contributions were transferred periodically to the President's special international program, reimbursing that program for expenses funded initially from appropriated moneys (70 Stat. 778).

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$407,769	$164,475	
Deposit to miscellaneous receipts		85,008	
Total obligations	407,769	249,483	

INDEPENDENT OFFICES

AMERICAN BATTLE MONUMENTS COMMISSION

CONTRIBUTED FLOWER FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Purchase of flowers (total obligations)	$2,109	$2,000	$2,000
Financing:			
Unobligated balance brought forward	1,398	1,271	1,271
Receipts	1,982	2,000	2,000
Unobligated balance carried forward	−1,271	−1,271	−1,271
Total financing	2,109	2,000	2,000

This fund consists of moneys deposited with the Commission 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. decision A 56102, Nov. 4, 1935).

Object Classification

	1958 actual	1959 estimate	1960 estimate
08 Supplies and materials	$2,109	$2,000	$2,000

CIVIL SERVICE COMMISSION

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Annuities	$577,319,905	$710,000,000	$819,000,000
2. Refunds and death claims	126,042,814	135,000,000	135,000,000
Total program (costs—obligations)	703,362,719	845,000,000	954,000,000
Financing:			
Unobligated balance brought forward:			
Cash		51,801,032	59,328,032
U. S. securities (par)	7,468,617,471	8,166,751,000	9,031,358,000
Receipts:			
Deductions from employees' salaries	664,452,302	746,620,000	720,720,000
Payments from other funds: Employing agency contributions	583,900,426	746,620,000	720,720,000
Voluntary contributions, donations, service credit payments, etc	10,688,103	10,980,000	10,948,000
Interest and profits on investments	194,052,071	212,714,000	223,833,816
Gain from discount on investments	204,377	200,000	200,000
Unobligated balance carried forward:			
Cash	−51,801,032	−59,328,032	−49,185,198
U. S. securities (par)	−8,166,751,000	−9,031,358,000	−9,763,922,650
Total financing	703,362,719	845,000,000	954,000,000

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). It is estimated that as of June 30, 1960, there will be 532,456 persons on the annuity roll, compared with 421,076 as of June 30, 1958, and 488,465 as of June 30, 1959.

The status of the fund is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Investments in U. S. securities at beginning of year (par)	$7,497,551,000	$8,166,751,000	$9,031,358,000
Cash (unexpended balance)	15,125,055	102,613,146	122,201,146
Balance of fund at beginning of year	7,512,676,055	8,269,364,146	9,153,559,146
Cash income during year	1,453,092,903	1,716,934,000	1,676,221,816

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INDEPENDENT OFFICES—Continued

CIVIL SERVICE COMMISSION—Continued

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

	1958 actual	*1959 estimate*	*1960 estimate*
Cash outgo during year:			
Payment of claims	$570,097,780	$697,939,000	$809,000,000
Refunds	126,511,409	135,000,000	135,000,000
Gain from discount on investments	−204,377	−200,000	−200,000
Total annual outgo	696,404,812	832,739,000	943,800,000
Investments in U. S. securities at end of year (par)	8,166,751,000	9,031,358,000	9,763,922,650
Cash (unexpended balance)	102,613,146	122,201,146	122,058,312
Balance of fund at end of year	8,269,364,146	9,153,559,146	9,885,980,962

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$577,319,905	$710,000,000	$819,000,000
13 Refunds, awards, and indemnities	126,042,814	135,000,000	135,000,000
Total obligations	703,362,719	845,000,000	954,000,000

EMPLOYEES' LIFE INSURANCE FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Gross premium payments	$108,672,300	$117,500,000	$117,400,000
Less return of premiums	33,402,206	39,000,000	36,000,000
Net premium payments	75,270,094	78,500,000	81,400,000
2. Administration:			
(a) Basic program (subject to limitation)	57,450	65,000	72,000
(b) Beneficial association program	73,783	231,000	188,000
3. Other expenses	10,333	20,000	
Total operating costs	75,411,660	78,816,000	81,660,000
Unfunded adjustments to total operating costs:			
Depreciation included in above (−)	−1,918	−2,050	−2,050
Writeoff included in above (−)	−333		
Total operating costs, funded	75,409,409	78,813,950	81,657,950
Capital outlay: Purchase of equipment	346	1,134	
Total program costs, funded	75,409,755	78,815,084	81,657,950
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−4,291	
Obligations incurred for costs of other years, net	6,960		
Total program (obligations)	75,416,715	78,810,793	81,657,950
Financing:			
Amounts becoming available: Revenue and receipts:			
Employees' salary withholdings and agency contributions	107,755,450	115,000,000	115,000,000
Beneficial association premium collections	1,470,501	2,800,000	3,100,000
Interest revenue	889,083	2,200,000	3,500,000
Other revenue	1,104,444	14,000,000	1,000,000
Total amounts becoming available	111,219,478	134,000,000	122,600,000
Unobligated balance brought forward:			
Cash	929,392	1,131,939	1,230,879
U. S. securities (par)	8,309,517	43,909,733	99,000,000
Total amounts available	120,458,387	179,041,672	222,830,879
Unobligated balance carried forward:			
Cash	−1,131,939	−1,230,879	−1,172,929
U. S. securities (par)	−43,909,733	−99,000,000	−140,000,000
Financing applied to program	75,416,715	78,810,793	81,657,950

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.

Budget program.—Through June 30, 1958, a total of $257,200,000 was withheld from the salaries of covered employees and $128,600,000 was contributed by the Government to the fund. It is estimated that, in 1960, a sum of $76,666,000 will be paid into the fund by employees and $38,333,000 by the Government. As of June 30, 1958, a total of $208,500,000 had been paid by the insurer in benefits and approximately $12 million in accrued benefits awaited filing of claims. An estimated $75 million in benefits will be paid in 1960.

Most of the difference between receipts and benefit payments is held by the insurer as a contingency reserve. As of November 16, 1957, the end of the third policy year, $100,000,000 was held in this reserve. A total of $32,716,000 has been returned by the insurer and redeposited in the Treasury of the United States after determination by the Civil Service Commission that the contingency reserve should be held at $100,000,000. The estimated returns of $38,000,000 in 1959 and $35,000,000 in 1960, netted against expense, account for the substantial increase in retained earnings which will be used to meet the cost of future benefits.

A summary statement of the operations of the contingency reserve for each of the three policy years, 1955, 1956, and 1957, follows:

STATEMENT OF ANNUAL ACCOUNTING AND CONTINGENCY RESERVE

	First policy year (Aug. 29, 1954–Nov. 19, 1955)	*Second policy year (Nov. 20, 1955–Nov. 17, 1956)*	*Third policy year (Nov. 18, 1956–Nov. 16, 1957)*
1. Premiums accrued	$112,700,000	$98,650,000	$104,250,000
2. Interest added to contingency reserve	719,775	1,695,799	2,747,948
3. Mortality and other claim charges incurred:			
(a) Life insurance	56,248,080	49,388,510	57,720,853
(b) Accidental death and dismemberment insurance	5,449,521	3,847,616	3,860,476
(c) Conversion charges	579,470	877,077	678,742
Total	62,277,071	54,113,203	62,260,071
4. Expense and risk charges incurred:			
(a) Premium and other taxes	2,203,967	2,261,694	1,297,076
(b) Office of Federal Employees' Group Life Insurance	256,967	245,258	257,710
(c) Other expenses and risk charges	1,048,110	887,850	938,250
Total	3,509,044	3,394,802	2,493,036
5. Total addition to contingency reserve	47,633,660	42,837,794	42,244,841
6. Total contingency reserve at end of year	47,633,660	90,471,454	132,716,295
7. Less premiums returned to employees' life insurance fund			32,716,295
8. Contingency reserve held by insurer at end of year	47,633,660	90,471,454	100,000,000

Pursuant to Public Law 84–356, approved August 11, 1955, the Civil Service Commission will assume by the end of 1959, life insurance assets and liabilities of 27 nonprofit associations of Federal employees with an approximate membership of 134,000, assets of $18 million, and insurance coverage of approximately $202 million.

Financing.—Premium costs are met by withholding from the salaries of employees (under age 65) 25 cents for each $1,000 of life insurance, contributions by the Government, and direct premium payments from beneficial association members.

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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Supplies	$4,741	$2,964	$5,000	$5,000
Unpaid undelivered orders	1,590	10,327	4,000	4,000
Total selected resources at end of year	6,331	13,291	9,000	9,000
Selected resources at start of year (−)		−6,331	−13,291	−9,000
Costs financed from obligations of other years, net (−)			−4,291	
Obligations incurred for costs of other years, net		6,960		

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Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$346	$1,134	
Expense	75,409,409	78,813,950	$81,657,950
Total gross expenditures	75,409,755	78,815,084	81,657,950
Receipts from operations (funds provided):			
Revenue	111,219,478	134,000,000	122,600,000
Decrease in selected working capital	1,611,808	132,960	62,950
Total receipts from operations	112,831,286	134,132,960	122,662,950
Trust expenditures	−37,421,531	−55,317,876	−41,005,000

Revenue, Expense, and Retained Earnings

Revenue	$111,219,478	$134,000,000	$122,600,000
Expense	75,411,660	78,816,000	81,660,000
Net income for the year	35,807,818	55,184,000	40,940,000
Retained earnings, beginning of year	9,261,051	45,068,869	100,252,869
Retained earnings, end of year	45,068,869	100,252,869	141,192,869

Financial Condition

Assets:			
Cash with Treasury	$6,872,391	$7,100,000	$7,105,000
U. S. securities (par)	43,909,733	99,000,000	140,000,000
Accounts receivable	7,816,636	8,100,000	8,100,000
Supplies	2,964	5,000	5,000
Equipment, net	13,906	12,990	10,940
Total assets	58,615,630	114,217,990	155,220,940
Liabilities:			
Current	13,546,761	13,965,121	14,028,071
Net trust investment:			
Retained earnings	45,068,869	100,252,869	141,192,869

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash and U. S. securities	$13,360,593	$50,782,124	$106,100,000	$147,105,000
Obligated balance, net:				
Current liabilities	11,374,795	13,546,761	13,965,121	14,028,071
Unpaid undelivered orders	1,590	10,327	4,000	4,000
Accounts receivable, net (−)	−7,254,701	−7,816,636	−8,100,000	−8,100,000
Total obligated balance	4,121,684	5,740,452	5,869,121	5,932,071
Unobligated balance	9,238,909	45,041,672	100,230,879	141,172,929

Limitation on Administrative Expenses, Employees' Life Insurance Fund

Note.—The supporting detail of the above item is shown in the independent offices chapter in part II, p. 140.

FARM CREDIT ADMINISTRATION

Operating Fund, Federal Intermediate Credit Banks

Program and Financing

	1958 actual	July 1 to Dec. 31, 1958, estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Agricultural financing program:			
(a) Administrative expenses	$3,242,344	$1,693,000	
(b) Farm Credit Administration assessment	549,712	304,450	
(c) Franchise tax and other	797,381		
2. Interest on borrowings from the public	38,592,071	13,435,000	
Total operating costs	43,181,508	15,432,450	
Unfunded adjustment to total operating costs: Allowance for losses on loans	−2,849	−1,450	
Total operating costs, funded	43,178,659	15,431,000	

Program and Financing—Continued

	1958 actual	July 1 to Dec. 31, 1958, estimate	1960 estimate
Program by activities—Continued			
Capital outlay:			
3. Agricultural loans and discounts	$2,744,658,783	$1,290,990,000	
Total program costs, funded	2,787,837,442	1,306,421,000	
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−29,944	
Obligations incurred for costs of other years (unpaid undelivered orders), net	27,847		
Total program (obligations)	2,787,865,289	1,306,391,056	
Financing:			
Amounts becoming available: Revenue and receipts:			
Borrowings from the public (net)	224,900,000		
Agricultural loans and discounts	2,516,125,227	1,406,208,000	
Capital stock advances from Treasury	600,000	2,000,000	
Issuance of class B stock to production credit associations	4,370,680	4,369,825	
Interest revenue on loans and discounts	43,948,510	19,467,000	
Interest revenue on U. S. securities	2,494,386	1,249,000	
Assessment revenue from production credit associations	119,372	116,000	
Other revenue	53,436	3,000	
Total amounts becoming available	2,792,611,611	1,433,412,825	
Unobligated balance brought forward:			
Cash	10,812,108	10,673,905	
U. S. securities	99,330,700	99,520,300	
Total amounts available	2,902,754,419	1,543,607,030	
Retirement of borrowings to the public (net)		−110,170,000	
Return of capital to Treasury (−)	−4,370,680		
Stock called for retirement based on class B stock and participation certificates issued (−)	−324,245		
Unobligated balance no longer available (transferred to deposit funds of Treasury, 70 Stat. 659-68):			
Cash		−27,110,674	
U. S. securities		−99,935,300	
Unobligated balance carried forward:			
Cash	−10,673,905		
U. S. securities	−99,520,300		
Financing applied to program	2,787,865,289	1,306,391,056	

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. Subsequent to December 31, 1958, the budget provisions of the Government Corporation Control Act will not apply to the Federal intermediate credit banks and they may utilize their funds for administrative expenses without regard to the limitations contained in any other act of Congress governing the expenditure of appropriated funds (section 201 (a) and (b) of the Farm Credit Act of 1956). Net cash transactions will be transferred from this fund to a deposit fund of Treasury on January 1, 1959.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1957, $39,597; 1958, $67,444; and December 31, 1958, $37,500.

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 $687,220,000 of debentures and will borrow $157,700,000 from commercial banks during the first 6 months of 1959; they issued $1,486,550,000 of debentures and borrowed $294,515,000 from commercial banks and $29,050,000 from other Farm Credit banks during 1958. No credit bank may have outstanding borrowings in an amount exceeding 10 times its surplus and paid-in capital.

Operating results and financial condition.—By January 1, 1959, it is estimated that the Government-owned capital

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INDEPENDENT OFFICES—Continued

FARM CREDIT ADMINISTRATION—Continued

OPERATING FUND, FEDERAL INTERMEDIATE CREDIT BANKS—Con.

will be reduced from $87,405,000 (at the time of the merger) to $80,808,945. Private capital interest will be increased during the period since January 1, 1957, by $15,730,035, consisting of $13,112,015 acquired by the production credit associations by cash subscriptions and $2,618,020 acquired by the associations and other financing institutions as patronage refunds. The Farm Credit Act of 1956 also provides that the proceeds from retirement of capital stock will be paid into the Treasury as miscellaneous receipts until the class A capital stock of the banks which was outstanding on January 1, 1957, has been reduced to $30,000,000, after which the proceeds will be credited to the Federal intermediate credit banks investment fund.

Net income of $5,404,000 is estimated for the first half of 1959. This amount will be retained in undistributed earnings until the end of the 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 financing institutions as patronage refunds. It is estimated that retained earnings will amount to $69,634,935 on December 31, 1958.

Sources and Application of Funds (Operations)

	1958 actual	July 1 to Dec. 31, 1958, estimate	1960 estimate
Gross expenditures (funds applied):			
Agricultural financing program:			
Acquisition of agricultural loans and discounts	$2,744,658,783	$1,290,990,000	
Expense	42,385,905	15,431,000	
Franchise tax to Treasury	793,087		
Adjustment affecting patronage refunds	1,500		
Return of capital to Treasury	4,370,680		
Stock called for retirement based on class B stock for participation certificates issued	324,245		
Increase in selected working capital		657,000	
Total gross expenditures	2,792,534,200	1,307,078,000	
Receipts from operations (funds provided):			
Agricultural financing program:			
Repayment of agricultural loans and discounts	2,516,125,227	1,406,208,000	
Revenue	46,615,704	20,835,000	
Issuance of class B stock to production credit associations	4,370,680	4,369,825	
Patronage refunds distributed to production credit association stock	1,833		
Advances from Treasury	600,000	2,000,000	
Decrease in selected working capital	1,954,613		
Total receipts from operations	2,569,668,057	1,433,412,825	
Trust expenditures	222,866,143	−126,334,825	

Revenue, Expense, and Retained Earnings

Agricultural financing program:			
Revenue	$46,615,704	$20,835,000	
Expense	42,385,905	15,431,000	
Net income for period	4,229,799	5,404,000	
Analysis of retained earnings:			
Retained earnings, beginning of period	63,173,485	64,230,935	
Franchise tax (−)	−793,087		
Patronage refunds (paid by issuance of class B stock and participation certificates) (−):			
Affecting costs	−1,500		
Not affecting costs	−2,377,762		
Retained earnings, end of period	64,230,935	69,634,935	

Financial Condition

	1958 actual	July 1 to Dec. 31, 1958, estimate	1960 estimate
Assets:			
Cash with Treasury and in banks	$13,378,630	$29,128,455	
U. S. securities (par)	99,520,300	99,935,300	
Accounts receivable	18,958,582	16,941,582	
Agricultural loans and discounts	1,227,533,441	1,112,315,441	
Total assets	1,359,390,953	1,258,320,778	
Liabilities:			
Current liabilities	21,595,863	18,921,863	
Debentures and notes payable	1,183,395,000	1,073,225,000	
Total liabilities	1,204,990,863	1,092,146,863	
Private investment:			
Start of year	4,609,935	11,360,210	
Capital stock (class B)—production credit associations	6,565,525	4,369,825	
Participation certificates, other financing institutions	184,750		
End of year	11,360,210	15,730,035	
Government investment:			
Non-interest-bearing capital:			
Start of year	82,903,870	78,808,945	
Return of capital to Treasury:			
Advances from Treasury	600,000	2,000,000	
Repayment of capital stock to Treasury (−)	−4,370,680		
Stock called for retirement, based on class B stock and participation certificates issued (−)	−324,245		
End of year	78,808,945	80,808,945	
Retained earnings	64,230,935	69,634,935	
Total investments and retained earnings	154,400,090	166,173,915	

Status of Certain Fund Balances

	June 30, 1957, actual	1958 estimate	Dec. 31, 1958, estimate
Unexpended balance: Cash and U. S. securities	$110,865,073	$112,898,930	$129,063,755
Obligated balance, net:			
Current liabilities	16,287,661	21,595,863	18,921,863
Unpaid undelivered orders	39,597	67,444	37,500
Accounts receivable, net (−)	−15,604,993	−18,958,582	−16,941,582
Total obligated balance	722,265	2,704,725	2,017,781
Unobligated balance	110,142,808	110,194,205	127,045,974

FEDERAL AVIATION AGENCY

GIFTS AND DONATIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Installation, operation, and maintenance of air navigation facilities	$197,156	$445,943	$100,000
2. Returned to donor	5,303		
Total obligations	202,459	445,943	100,000
Financing:			
Unobligated balance brought forward	189,369	120,590	
Receipts	133,680	325,353	100,000
Unobligated balance carried forward	−120,590		
Total financing	202,459	445,943	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 (40 U. S. C. 452). In addition, funds from private sources for the maintenance and operation of air navigation and related facilities are credited to this fund. These funds are expended through the pertinent appropriations.

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Object Classification

	1958 actual	1959 estimate	1960 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	9.0 $6,885	9.0 $6,885	
01 Personal services:			
Permanent positions	$6,537	$618	
Other personal services	289	170	
Total personal services	6,826	788	
02 Travel	338	102	
07 Other contractual services	74,004	144,978	$100,000
08 Supplies and materials	81		
09 Equipment	115,495	300,037	
11 Grants, subsidies, and contributions	412	38	
13 Refunds, awards, and indemnities	5,303		
Total obligations	202,459	445,943	100,000

FOREIGN CLAIMS SETTLEMENT COMMISSION

War Claims Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Payment of World War II claims	$3,038,020	$3,400,729	$39,000
2. Administrative expenses:			
Available	265,000	85,000	50,000
Proposed increase for pay increases		7,200	
Total obligations	3,303,020	3,492,929	89,000
Financing:			
Unobligated balance brought forward	3,537,232	236,412	493,483
Receipts		3,750,000	
Recovery of prior year obligations	2,200		
Unobligated balance carried forward	−236,412	−493,483	−404,483
Total financing	3,303,020	3,492,929	89,000

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 (c) of the War Claims Act of 1948, as amended, and Public Law 85–884 (72 Stat. 1708), the sum of $3,750,000 is to be transferred from the Office of Alien Property.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services: Services performed by other agencies	$265,000	$92,200	$50,000
13 Refunds, awards, and indemnities: Direct payment of claims	3,038,020	3,400,729	39,000
Total obligations	3,303,020	3,492,929	89,000

GENERAL ACCOUNTING OFFICE

Proceeds From Estates of American Citizens Who Die Abroad

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total costs—obligations)	$2,554	$3,000	$3,000
Financing:			
Unobligated balance brought forward	7,140	4,586	2,586
Receipts		1,000	1,000
Unobligated balance carried forward	−4,586	−2,586	−586
Total financing	2,554	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

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$2,554	$3,000	$3,000

HISTORICAL AND MEMORIAL COMMISSIONS

Alexander Hamilton Bicentennial Commission

ALEXANDER HAMILTON BICENTENNIAL COMMISSION, DONATIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Scholarships (total obligations)	$67,225		
Financing:			
Unobligated balance brought forward	−14,125		
Receipts	53,100		
Total financing	67,225		

The Commission expired April 30, 1958. Pursuant to the Comptroller General's decision of May 14, 1957, the balance in this fund was transferred to a private organization to continue the scholarship program beyond the expiration date of the Commission.

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$264		
04 Communication services	10		
05 Rents and utility services	55		
07 Other contractual services	20		
08 Supplies and materials	17		
11 Grants, subsidies, and contributions:			
Scholarships	66,859		
Total obligations	67,225		

Corregidor Bataan Memorial Commission

CORREGIDOR BATAAN MEMORIAL COMMISSION, DONATIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward		$380	$380
Receipts	$380		
Unobligated balance carried forward	−380	−380	−380
Total financing			

NATIONAL CAPITAL HOUSING AUTHORITY

Operation and Maintenance, Properties Aided by Public Housing Administration

The National Capital Housing Authority operates the low-rent public housing program in the District of Columbia, under the authority of the Housing Act of 1937, and title II of the District of Columbia Alley Dwelling Act (48 Stat. 930). The 1960 program consists of the operation of 7,736 dwelling units and the development of 1,586 additional units. Management and development

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INDEPENDENT OFFICES—Continued

NATIONAL CAPITAL HOUSING AUTHORITY—Continued

OPERATION AND MAINTENANCE, PROPERTIES AIDED BY PUBLIC HOUSING ADMINISTRATION—Continued

operations are financed through rental revenue, loans, and annual contributions. There is no debt service on Federal projects conveyed to the Authority for low-rent use; all other projects are permanently financed through the sale of Housing 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 operating receipts over operating expense.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
To operations:			
Acquisition of assets: Land, structures, and equipment	$12,591,101	$12,568,152	$8,554,926
Expense	2,279,388	3,168,732	3,656,854
Payments to Public Housing Administration	8,523		
Increase in selected working capital		2,369,685	875,311
To non-Treasury financing:			
Retirement of temporary notes	19,886,718	11,110,000	8,000,000
Retirement of Public Housing Administration notes	1,503,715	73,509	
Retirement of bonds	594,000	43,000	40,000
Interest on notes and bonds	805,061	752,002	907,451
Increase in fiscal agent funds for debt service	68,342	140,777	
Total gross expenditures	37,736,848	30,225,857	22,034,542
Receipts from operations (funds provided):			
By operations:			
Revenue from operating properties	2,585,024	3,327,946	4,034,542
Public Housing Administration contribution	1,348,574	1,268,731	1,500,000
Other receipts	97,608	15,000	50,000
Decrease in selected working capital	1,254,712		
By non-Treasury financing: Public Housing Administration:			
Advance notes	1,540,099		
Permanent notes	6,317		
Sale of Housing Authority bonds	10,505,000	16,545,000	15,850,000
Sale of temporary notes	20,007,718	8,000,000	500,000
Bond premiums and discounts	110,030		
Total receipts from operations	37,455,082	29,156,677	21,934,542
Net trust expenditures	281,766	1,069,180	100,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Operations:			
Revenue	$2,585,024	$3,327,946	$4,034,542
Expense	2,279,388	3,168,732	3,656,854
Net operating income	305,636	159,214	377,688
Nonoperating expense (net loss (−))	−731,384	−450,313	−857,451
Net loss (−) for the year	−425,748	−291,099	−479,763
Analysis of deficit (−):			
Deficit (−), beginning of year	−1,014,256	−1,229,138	−1,520,237
Gain from disposition of property	210,930		
Adjustment of prior year expense	−64		
Deficit (−), end of year	−1,229,138	−1,520,237	−2,000,000

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$1,669,180	$600,000	$500,000
U. S. securities	48,950	800,000	300,000
Accounts receivable, net	1,476,432	2,478,260	2,500,000
Deposit for amortization of administration contract	2,328	2,328	2,328
Supplies, deferred charges, etc	130,913	200,000	200,000
Fiscal agent funds for debt service	259,223	400,000	400,000
Land, structures, and equipment	58,767,685	71,335,837	79,890,763
Total assets	62,354,711	75,816,425	83,793,091
Liabilities:			
Current liabilities	2,519,409	1,971,689	618,118
Temporary notes payable	11,110,000	8,000,000	500,000
Housing Authority bonds payable	36,105,000	52,650,000	68,500,000
Unamortized bond premiums	286,689		
Total liabilities	50,021,098	62,621,689	69,618,118

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Government investment:			
Interest-bearing capital:			
Series "B" Housing Authority bonds	$3,183,000	$3,140,000	$3,100,000
Advance loan notes	73,509		
Permanent notes	6,317	6,317	6,317
Total interest-bearing capital	3,262,826	3,146,317	3,106,317
Non-interest-bearing capital:			
Cumulative contributions	6,781,269	8,050,000	9,550,000
Federal projects conveyed for low rent use	3,487,582	3,487,582	3,487,582
Donated assets	31,074	31,074	31,074
Total non-interest-bearing capital	10,299,925	11,568,656	13,068,656
Total Government investment	13,562,751	14,714,973	16,174,973
Trust investment:			
Deficit (−)	−1,229,138	−1,520,237	−2,000,000
Net Government investment and trust deficit	12,333,613	13,194,736	14,174,973

NATIONAL CAPITAL PLANNING COMMISSION

CONTRIBUTED FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. George Washington Memorial Parkway, Va	$111,823	$371,500	$562,000
2. George Washington Memorial Parkway, Md	157,969	75,000	1,000,000
Total program costs	269,792	446,500	1,562,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−232,292		
Total program (obligations)	37,500	446,500	1,562,000
Financing:			
Receipts	37,500	446,500	1,562,000

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).

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1957, $482,954; 1958, $250,662; 1959, $250,662; 1960, $250,662.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures (total costs)	$269,792	$446,500	$1,562,000
Costs financed from obligations of other years, net (−)	232,292		
Total obligations	37,500	446,500	1,562,000

NATIONAL SCIENCE FOUNDATION

NATIONAL SCIENCE FOUNDATION, DONATIONS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Executive direction and management (total obligations)	$66	$500	$500
Financing:			
Unobligated balance brought forward	4,003	7,218	9,718
Receipts	3,281	3,000	3,000
Unobligated balance carried forward	−7,218	−9,718	−12,218
Total financing	66	500	500

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Donations received under authority of 42 U. S. C. 1870, may be used in furtherance of general purposes of the Foundation.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$66	$500	$500

RAILROAD RETIREMENT BOARD

Limitation on Salaries and Expenses

NOTE.—The supporting detail of the above item is shown in the Independent Offices chapter in part II, p. 188.

Railroad Retirement Account

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Retirement and survivor benefit payments	$721,428,368	$760,000,000	$806,000,000
2. Administrative expenses	8,433,070	9,133,992	9,460,000
3. Payments to Federal disability insurance trust fund		9,000,000	
Total obligations	729,861,438	778,133,992	815,460,000
Financing:			
Unobligated balance brought forward:			
Cash	2,108,657	563,711	823,719
U. S. securities (par)	3,642,058,000	3,608,953,000	3,839,000,000
Recovery of prior year obligations	35,773		
Receipts:			
Interest and profit on investments	120,276,748	110,000,000	112,500,000
Railroad retirement taxes	574,898,971	560,000,000	575,000,000
Financial interchange:			
Federal old-age and survivors insurance trust fund		338,441,000	269,000,000
Federal disability trust fund			6,000,000
Unobligated balance carried forward:			
Cash	−563,711	−823,719	−863,719
U. S. securities (par)	−3,608,953,000	−3,839,000,000	−3,986,000,000
Total financing	729,861,438	778,133,992	815,460,000

Under the railroad retirement system, workers and employers contribute toward their retirement by taxes on wages. Benefits 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%.

The status of the fund is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Investments in U. S. securities at beginning of year (par)	$3,642,058,000	$3,608,953,000	$3,839,000,000
Uninvested cash	60,737,555	59,269,957	61,263,957
Balance of fund at beginning of year	3,702,795,555	3,668,222,957	3,900,263,957
Cash income during the year:			
Taxes	574,898,971	560,000,000	575,000,000
Payments from Federal old-age and survivors insurance and Federal disability insurance trust funds		338,441,000	275,000,000
Interest and profit on investments	120,276,748	110,000,000	112,500,000
Total annual income	695,175,719	1,008,441,000	962,500,000
Total available during year	4,397,971,274	4,676,663,957	4,862,763,957
Cash outgo during year:			
Benefit payments and claims	719,542,037	758,000,000	804,000,000
Interest payments to the Federal old-age and survivors insurance trust fund	1,588,000		
Administrative expenses [1]	8,618,280	9,400,000	9,400,000
Payments to Federal disability insurance trust fund		9,000,000	
Total annual outgo	729,748,317	776,400,000	813,400,000
Investments in U. S. securities at end of year (par)	3,608,953,000	3,839,000,000	3,986,000,000
Uninvested cash	59,269,957	61,263,957	63,363,957
Balance of fund at end of year [1]	3,668,222,957	3,900,263,957	4,049,363,957

[1] Excludes $320,000 in 1959 and $52,000 in 1960 out of $372,000 proposed for later transmission in 1959.

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) *Administrative expenses.*—Such expenses are subject to annual limitations in appropriations acts (see "Limitation on salaries and expenses," Railroad Retirement Board, in part II of the budget).

In addition a supplemental to increase the limitation for 1959 is anticipated under Proposed for later transmission to provide for increased workloads as a result of the 1958 amendments to the Social Security Act which affect Railroad Retirement Board operations.

(3) *Payments to Federal disability insurance trust fund.*—Payments 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 security coverage (65 Stat. 687 and 70 Stat. 837).

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$721,428,368	$769,000,000	$806,000,000
Administrative expenses, "Limitation on salaries and expenses" (see account in part II)	8,433,070	9,133,992	9,460,000
Total obligations	729,861,438	778,133,992	815,460,000

Railroad Unemployment Insurance Administration Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Maintenance of earnings accounts	$238,366	$285,523	$330,528
2. Processing of unemployment insurance claims	5,360,754	5,494,310	4,388,600
3. Processing of sickness and maternity claims	1,960,649	2,221,750	2,252,233
4. Claimant placement services	711,823	788,023	831,383
5. Administration	681,727	724,334	724,258
Total obligations	8,953,319	9,513,940	8,527,002
Financing:			
Unobligated balance brought forward	6,000,000	6,000,000	5,636,060
Adjustment in prior year transaction	−19,496		
Receipts:			
Current year	9,449,458	9,150,000	8,890,942
Unobligated balance no longer available	−476,643		
Unobligated balance carried forward	−6,000,000	−5,636,060	−6,000,000
Total financing	8,953,319	9,513,940	8,527,002

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).

	1958 actual	*1959 estimate*	*1960 estimate*
Permanent appropriation, 0.2% of taxable payroll	$9,449,458	$9,000,000	$9,200,000
Interest on investments		150,000	180,000
Excess in fund over $6,000,000 at end of year (−)		−476,643	−489,058
Appropriation, net	9,449,458	8,673,357	8,890,942

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INDEPENDENT OFFICES—Continued

RAILROAD RETIREMENT BOARD—Continued

RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND—Continued

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 2,381,071 in 1958 and are estimated to be 2,040,000 in 1959 and 2,100,000 in 1960.

2. *Processing of unemployment insurance claims.*—This involves paying benefits to unemployed railroad workers. 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 2,746,247 in 1958 and are estimated at 2,500,000 in 1959 and 1,500,000 in 1960.

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 being 941,508 in 1958 and are estimated at 936,000 in 1959 and 1960.

4. *Claimant placement services.*—The Board conducts an employment service for unemployed benefit claimants and to assist railroads in filling their manpower needs. This resulted in savings in benefit payments of more than $2 million in 1958.

5. *Administration.*—Except for certain basic activities the costs of administration are shared between this and the retirement program on a measured basis.

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	1,130	1,131	1,112
	Full-time equivalent of all other positions	110	82	38
	Average number of all employees	1,149	1,155	1,092
	Number of employees at end of year	1,231	1,200	1,100
	Average GS grade and salary	6.1 $4,667	6.1 $5,235	6.1 $5,228
01	Personal services:			
	Permanent positions	$5,253,170	$5,760,680	$5,657,124
	Positions other than permanent	336,670	295,010	154,959
	Other personal services	154,554	175,309	103,191
	Total personal services	5,744,394	6,230,999	5,915,274
02	Travel	294,891	310,994	311,495
03	Transportation of things	22,070	21,976	19,911
04	Communication services	89,232	89,531	88,099
	Penalty mail costs	133,000	180,000	151,000
05	Rents and utility services	376,745	393,673	415,673
06	Printing and reproduction	33,803	33,624	25,724
07	Other contractual services	1,382,632	1,316,258	810,933
	Services performed by other agencies	327,958	346,814	227,218
08	Supplies and materials	137,287	136,845	118,234
09	Equipment	57,063	53,739	51,641
11	Grants, subsidies, and contributions	343,586	389,911	384,736
13	Refunds, awards, and indemnities	3,450	4,362	4,144
15	Taxes and assessments	7,208	5,214	2,920
	Total obligations	8,953,319	9,513,940	8,527,002

SMITHSONIAN INSTITUTION

CANAL ZONE BIOLOGICAL AREA

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Maintenance and operation of facilities (total costs—obligations)	$4,513	$6,500	$6,500
Financing:			
Unobligated balance brought forward	$5,828	$8,779	$10,279
Receipts	7,464	8,000	8,000
Unobligated balance carried forward	−8,779	−10,279	−11,779
Total financing	4,513	6,500	6,500

Donations, subscriptions, and fees are appropriated and used to defray part of the expenses of maintaining and operating the Canal Zone Biological Area (5 U. S. C. 133y–4; 20 U. S. C. 79, 79a).

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$4,513	$6,500	$6,500

UNITED STATES INFORMATION AGENCY

UNITED STATES DOLLARS ADVANCED FROM FOREIGN GOVERNMENTS, UNITED STATES INFORMATIONAL EXCHANGE PROGRAM

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Sale of motion picture films	$9,524	$15,146	$10,000
2. Replacement of damaged or destroyed property	39,741	45,540	
Total obligations	49,265	60,686	10,000
Financing:			
Unobligated balance brought forward	4,776	50,686	
Receipts	95,175	10,000	10,000
Unobligated balance carried forward	−50,686		
Total financing	49,265	60,686	10,000

1. *Sale of motion picture films.*—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).

2. *Replacement of damaged or destroyed property.*—Funds received from other governments for replacing damaged or destroyed United States property. These funds are used for the expenses of the United States information program (22 U. S. C. 1479).

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$49,265	$60,686	$10,000

VETERANS ADMINISTRATION

ADJUSTED SERVICE CERTIFICATE FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of World War I adjusted-service certificates (total costs—obligations)	$192,647	$235,000	$235,000
Financing:			
Unobligated balance brought forward	4,508,606	4,315,959	4,080,959
Unobligated balance carried forward	−4,315,959	−4,080,959	−3,845,959
Total financing	192,647	235,000	235,000

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This fund 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 since January 1, 1957, and all future payments will be made from principal. Only a few certificates remain unpaid (38 U. S. C. 646–657).

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$192,647	$235,000	$235,000

General Post Fund, National Homes

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Religious, recreational, and entertainment	$2,017,628	$2,800,000	$1,850,000
Discount on sales of investments in U. S. securities	30,498		
Total program (costs—obligations)	2,048,126	2,800,000	1,850,000
Financing:			
Unobligated balance brought forward:			
Cash	1,199,388	1,681,034	1,211,484
U. S. securities (par)	2,660,000	1,733,500	1,000,000
Receipts:			
Donations:			
Cash	1,531,832	1,566,950	1,573,000
U. S. securities	7,500		
Interest on U. S. securities	63,940	30,000	27,000
Unobligated balance carried forward:			
Cash	−1,681,034	−1,211,484	−961,484
U. S. securities (par)	−1,733,500	−1,000,000	−1,000,000
Total financing	2,048,126	2,800,000	1,850,000

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. It is used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available (38 U. S. C. 5220–5228).

Object Classification

	1958 actual	1959 estimate	1960 estimate
05 Rents and utility services	$26,261	$30,000	$30,000
07 Other contractual services	90,049	90,000	90,000
08 Supplies and materials	1,008,851	1,100,000	1,100,000
09 Equipment	212,862	200,000	200,000
10 Land and structures	645,341	1,345,000	395,000
13 Refunds, awards, and indemnities	34,264	35,000	35,000
16 Investments and loans	30,498		
Total obligations	2,048,126	2,800,000	1,850,000

National Service Life Insurance Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Death claims	$318,862,708	$316,400,000	$314,300,000
2. Disability claims	203,670	250,000	300,000
3. Cash surrenders and matured endowments	12,244,123	13,879,000	15,296,000
4. Dividends	220,031,285	238,800,000	235,000,000
5. Interest paid on dividend deposits	3,124,376	3,500,000	4,000,000
6. Other expense	352,108	250,000	250,000
7. Premiums waived and liens written off	9,533,332	9,675,000	9,950,000
8. Loans written off	49,893		
9. Increase in operating reserves	84,944,142	98,445,884	113,450,000
10. Adjustment of prior year costs	4,381		
Total operating costs	649,350,018	681,199,884	692,546,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Program by activities—Continued			
Operating costs—Continued			
Unfunded adjustments to total operating costs:			
Premiums waived and loans and liens written off (−)	−$9,583,225	−$9,675,000	−$9,950,000
Increase (−) in operating reserves	−84,944,142	−98,445,884	−113,450,000
Total operating costs, funded	554,822,651	573,079,000	569,146,000
Capital outlay:			
Policy loans made	97,842,568	110,000,000	125,000,000
Policy liens established	380,337	500,000	500,000
Total capital outlay	98,222,905	110,500,000	125,500,000
Total program (costs—obligations)	653,045,556	683,579,000	694,646,000
Items not processed through Treasury (see contra entry below) (−)	−83,688,641	−91,650,378	−95,250,000
Net program (costs—obligations)	569,356,915	591,928,622	599,396,000
Financing:			
Revenue and receipts:			
Premiums earned	478,573,045	488,418,209	494,830,000
Interest on investments	174,400,807	178,000,000	182,300,000
Payment from "Veterans insurance and indemnities"	13,400,863	11,657,568	11,788,933
Loans repaid	56,659,987	60,069,632	65,000,000
Liens repaid	437,847	463,123	500,000
Subtotal	723,472,549	738,608,532	754,418,933
Items not processed through Treasury (see contra entry above) (−)	−83,688,641	−91,650,378	−95,250,000
Total revenue and receipts	639,783,908	646,958,154	659,168,933
Unobligated balance brought forward:			
U. S. securities (par)	5,402,160,744	5,472,587,737	5,527,617,269
Total amounts available	6,041,944,652	6,119,545,891	6,186,786,202
Unobligated balance carried forward:			
U. S. securities (par)	−5,472,587,737	−5,527,617,269	−5,587,390,202
Financing applied to program	569,356,915	591,928,622	599,396,000

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 general decline in the activity of the fund is indicated in the following table:

[Dollars in millions]

	June 30, 1957	*June 30, 1958*	*June 30, 1959*	*June 30, 1960*
Number of policies in force	5,435,889	5,404,784	5,330,000	5,235,000
Amount of insurance in force	$35,673	$35,477	$34,981	$34,357

The assets of the fund, which are largely invested in special Treasury interest-bearing securities and in policy loans are expected to increase from $5,909 million as of June 30, 1958, to $6,179 million on June 30, 1960. The current actuarial estimate of policy obligations totals $5,424 million, leaving a balance of $485 million for contingency reserves.

The income of the fund derives from premium receipts, interest on investments, and payments which are made to the fund from the approriation "Veterans insurance and indemnities," for claims (1) resulting from extra hazards of the veterans' service, and (2) arising on certain policies held by personnel on active duty. Administrative expenses are charged to the appropriation "General operating expenses."

The fund is operated on a commercial basis to the greatest possible extent consistent with law. In the program and financing statement above, the noncash transactions, which are offset by other claims of the fund, are subtracted from program costs in order to show obligations of the fund. The following business-type statements of income and expense and financial condition include these noncash transactions relating to the status of insurance policy accounts.

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INDEPENDENT OFFICES—Continued

VETERANS ADMINISTRATION—Continued

National Service Life Insurance Fund—Continued

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue:			
Funded	$666,374,715	$678,075,777	$688,918,933
Nonfunded (premiums waived)	9,517,932	9,675,000	9,950,000
Total revenue	675,892,647	687,750,777	698,868,933
Expense:			
Funded	554,818,270	573,079,000	569,146,000
Nonfunded:			
Writeoff of liens	15,400		
Premiums waived	9,517,932	9,675,000	9,950,000
Increase in operating reserves	84,944,142	98,445,884	113,450,000
Total expense	649,295,744	681,199,884	692,546,000
Net income for the year	26,596,903	6,550,893	6,322,933
Analysis of retained earnings:			
Retained earnings, beginning of year	458,273,747	484,816,376	491,367,269
Loans written off	−49,893		
Adjustment of prior year costs	−4,381		
Retained earnings, end of year	484,816,376	491,367,269	497,690,202

Financial Condition

Assets:			
Cash with Treasury	$14,368,081	$6,292,269	$7,035,202
U. S. securities (par)	5,665,319,000	5,745,350,000	5,830,500,000
Accounts receivable, net	5,637,243	6,875,000	8,055,000
Policy loans	223,069,632	273,000,000	333,000,000
Policy liens	563,123	600,000	600,000
Total assets	5,908,957,079	6,032,117,269	6,179,190,202
Liabilities:			
Current	212,736,587	230,900,000	258,200,000
Operating reserves:			
Policy reserves	2,232,401,488	2,471,000,000	2,718,500,000
Premium waiver disability reserves	109,963,978	105,850,000	111,100,000
Reserve for future installments on matured contracts	2,725,815,232	2,587,000,000	2,451,000,000
Total disability income reserves	7,443,190	8,500,000	9,700,000
Reserve for dividends	118,780,228	120,000,000	115,000,000
Policy claims currently outstanding	17,000,000	17,500,000	18,000,000
Total liabilities	5,424,140,703	5,540,750,000	5,681,500,000
Government investment:			
Retained earnings (reserve for contingencies)	484,816,376	491,367,269	497,690,202

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash and U. S. securities	$5,583,521,879	$5,679,687,081	$5,751,642,269	$5,837,535,202
Obligated balance, net:				
Current liabilities	189,874,935	212,736,587	230,900,000	258,200,000
Accrued interest receivable, net, and cash in transit (−)	−8,513,800	−5,637,243	−6,875,000	−8,055,000
Total obligated balance	181,361,135	207,099,344	224,025,000	250,145,000
Unobligated balance	5,402,160,744	5,472,587,737	5,527,617,269	5,587,390,202

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$554,822,651	$573,079,000	$569,146,000
16 Investments and loans (policy loans)	98,222,905	110,500,000	125,500,000
Subtotal	653,045,556	683,579,000	694,646,000
Items not processed through Treasury (−)	−83,688,641	−91,650,378	−95,250,000
Total obligations	569,356,915	591,928,622	599,396,000

United States Government Life Insurance Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operating costs:			
1. Death claims	$33,741,287	$34,900,000	$36,278,000
2. Disability claims	12,532,104	13,650,000	14,715,000
3. Cash surrenders and matured endowments	29,987,355	21,075,000	20,487,000
4. Dividends	53,605,097	21,000,000	20,500,000
5. Interest credited to dividend accumulation	254,960	250,000	250,000
6. Other expense	138,898		
7. Loans written up	−409		
8. Decrease (−) in operating reserves	−26,918,615	−7,953,415	−14,000,000
9. Adjustment of prior year costs	822		
Total operating costs	103,341,499	82,921,585	78,230,000
Unfunded adjustments to total operating costs:			
Decrease in operating reserves	26,918,615	7,953,415	14,000,000
Other costs	−137,271		
Total operating costs, funded	130,122,843	90,875,000	92,230,000
Capital outlay:			
Policy loans made	20,957,082	19,000,000	18,000,000
Policy liens established	128,088	100,000	100,000
Total capital outlay	21,085,170	19,100,000	18,100,000
Total program (costs—obligations)	151,208,013	109,975,000	110,330,000
Items not processed through Treasury (see contra entry below) (−)	−29,141,259	−27,000,000	−26,000,000
Net program (costs—obligations)	122,066,754	82,975,000	84,330,000
Financing:			
Revenue and receipts:			
Premiums earned	25,982,909	25,108,092	22,846,000
Interest on investments	45,160,461	43,600,000	42,700,000
Payment from "Veterans insurance and indemnities"	846,462	900,000	900,000
Loans repaid	24,390,100	22,188,066	21,300,000
Liens repaid	114,326	74,735	100,000
Recovery of policy liens written off	244		
Subtotal	96,494,502	91,870,893	87,846,000
Items not processed through Treasury (see contra entry above) (−)	−29,141,259	−27,000,000	−26,000,000
Total revenue and receipts	67,353,243	64,870,893	61,846,000
Unobligated balance brought forward: U. S. securities (par)	1,191,712,445	1,136,998,934	1,118,894,827
Total amounts available	1,259,065,688	1,201,869,827	1,180,740,827
Unobligated balance carried forward: U. S. securities (par)	−1,136,998,934	−1,118,894,827	−1,096,410,827
Financing applied to program	122,066,754	82,975,000	84,330,000

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 350,000 policies of United States Government life insurance, providing coverage of over $1.5 billion, remain in force. The general decline in the activity of the fund is indicated in the following table:

[Dollars in millions]

	June 30, 1957	*June 30, 1958*	*June 30, 1959*	*June 30, 1960*
Number of policies in force	368,855	352,999	345,000	328,000
Amount of insurance in force	$1,608	$1,545	$1,511	$1,436

The assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decline from $1,268 million as of June 30, 1958, to $1,217 million on June 30, 1960, as an increasing number of policies mature through death or disability. The current actuarial evaluation of policy obligations totals $1,159 million, leaving a balance of $109 million for contingency reserves.

The income of the fund derives from premium receipts, interest on investments, and payments which are made to the fund from the appropriation Veterans insurance and indemnities, for claims (*a*) resulting from the extra hazards of the veteran's service, and (*b*) arising on certain policies

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held by personnel on active military duty. Administrative expenses are charged to the appropriation General operating expenses.

The fund is operated on a commercial basis to the greatest possible extent consistent with law. In the program and financing statement above, the noncash transactions, which are offset by other claims of the fund, are subtracted from program costs in order to show the obligations of the fund. The following business-type statements of income and expense and financial condition include these noncash transactions relating to the status of insurance policy accounts.

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue:			
Funded	$71,990,076	$69,608,092	$66,446,000
Nonfunded (premiums waived)	137,680		
Total revenue	72,127,756	69,608,092	66,446,000
Expense:			
Funded	130,122,021	90,875,000	92,230,000
Nonfunded:			
Premiums waived	137,680		
Decrease (−) in operating reserves	−26,918,615	−7,953,415	−14,000,000
Total expense	103,341,086	82,921,585	78,230,000
Net loss (−) for the year	−31,213,330	−13,313,493	−11,784,000
Analysis of retained earnings:			
Retained earnings, beginning of year	140,555,063	109,341,320	96,027,827
Loans written up	409		
Adjustment of prior year costs	−822		
Retained earnings, end of year	109,341,320	96,027,827	84,243,827

Financial Condition

Assets:			
Cash with Treasury	$4,735,705	$1,439,827	$1,484,827
U. S. securities (par)	1,144,116,000	1,125,416,000	1,102,616,000
Accounts receivable, net	2,368,524	2,470,000	2,400,000
Policy loans	116,688,066	113,500,000	110,200,000
Policy liens	74,735	100,000	100,000
Total assets	1,267,983,030	1,242,925,827	1,216,800,827
Liabilities:			
Current	14,221,295	10,431,000	10,090,000
Operating reserves:			
Policy reserves	906,313,250	893,556,000	875,309,000
Reserves for future installments on matured contracts	208,877,648	214,111,000	218,858,000
Reserve for total disability	12,588,926	12,800,000	13,000,000
Reserve for dividends	10,885,725	10,500,000	10,000,000
Reserve for policy claims currently outstanding	5,754,866	5,500,000	5,300,000
Total liabilities	1,158,641,710	1,146,898,000	1,132,557,000
Government investment:			
Retained earnings (reserve for contingencies)	109,341,320	96,027,827	84,243,827

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance:				
Cash and U. S. securities	$1,201,415,925	$1,148,851,705	$1,126,855,827	$1,104,100,827
Obligated balance, net:				
Current liabilities	11,506,293	14,221,295	10,431,000	10,090,000
Accounts receivable, net, and cash in transit (−)	−1,802,813	−2,368,524	−2,470,000	−2,400,000
Total obligated balance	9,703,480	11,852,771	7,961,000	7,690,000
Unobligated balance	1,191,712,445	1,136,998,934	1,118,894,827	1,096,410,827

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities, and insurance claims	$130,122,843	$90,875,000	$92,230,000
16 Investments and loans (policy loans)	21,085,170	19,100,000	18,100,000
Subtotal	151,208,013	109,975,000	110,330,000
Items not processed through Treasury (−)	−29,141,259	−27,000,000	−26,000,000
Total obligations	122,066,754	82,975,000	84,330,000

GENERAL SERVICES ADMINISTRATION

PERSONAL PROPERTY ACTIVITIES

Advances From International Organizations, Mutual Security Act

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of materials	$1,460,118		
2. Returned to World Health Organization		$19,887	
Total obligations	1,460,118	19,887	
Financing:			
Unobligated balance brought forward		19,887	
Receipts	1,480,005		
Unobligated balance carried forward	−19,887		
Total financing	1,460,118	19,887	

Object Classification

08 Supplies and materials	$1,460,118		
13 Refunds, awards, and indemnities		$19,887	
Total obligations	1,460,118	19,887	

RECORDS ACTIVITIES

National Archives Trust Fund

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).

Proceeds from sale of reproductions and publications, and admission fees to Presidential library museum rooms are deposited to this fund (44 U. S. C. 397).

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Franklin D. Roosevelt Library:			
Acquisition of equipment	$745		
Acquisition of structural improvements	1,750		
Expense:			
Purchase of publications for resale	23,800		
Other expense	41,619	$42,800	$42,800
Truman Library:			
Expense:			
Purchase of publications for resale	240	1,000	1,000
Other expense	3,229	28,600	28,600
Reproduction services, National Archives:			
Acquisition of equipment		5,000	5,000
Expense:			
Purchase of publications for resale	14,303		10,000
Other expense	59,830	57,500	56,200
Increase in selected working capital			1,000
Total gross expenditures	145,516	134,900	144,600
Receipts from operations (funds provided):			
Revenue and receipts:			
Franklin D. Roosevelt Library	35,463	40,000	45,000
Truman Library	24,840	67,000	67,000
Reproduction services, National Archives	69,085	70,000	70,000
Decrease in selected working capital	5,039	559	
Total receipts from operations	134,427	177,559	182,000
Trust expenditures	11,089	−42,659	−37,400

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Franklin D. Roosevelt Library:			
Revenue	$35,463	$40,000	$45,000
Expense	46,975	49,200	49,200
Net operating loss (−), Franklin D. Roosevelt Library	−11,512	−9,200	−4,200
Truman Library:			
Revenue	24,840	67,000	67,000
Expense	3,398	29,300	29,300
Net operating income, Truman Library	21,442	37,700	37,700

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GENERAL SERVICES ADMINISTRATION—Con.

RECORDS ACTIVITIES—Continued

NATIONAL ARCHIVES TRUST FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Reproduction services, National Archives:			
Revenue	$69,085	$70,000	$70,000
Expense	65,242	63,000	63,000
Net operating income, reproduction services	3,843	7,000	7,000
Nonoperating income or loss (−):			
Equipment adjustments	375		
Structural improvements transferred to other funds	−1,750		
Net nonoperating loss (−)	−1,375		
Net income for the year	12,398	35,500	40,500
Analysis of retained earnings:			
Retained earnings, beginning of year	238,302	251,200	286,700
Cash transferred from Franklin D. Roosevelt Library gift fund	500		
Retained earnings, end of year	251,200	286,700	327,200

Financial Condition

Assets:			
Cash with Treasury	$213,994	$256,653	$294,053
Accounts receivable, net	7,446	8,000	9,000
Inventories for sale	35,040	25,340	24,640
Equipment, net	14,607	17,707	20,507
Total assets	271,087	307,700	348,200
Liabilities:			
Current	19,887	21,000	21,000
Government investment:			
Retained earnings	251,200	286,700	327,200

NOTE.—Unpaid undelivered orders are as follows: 1957, $518; 1958, $211.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	16	20	20
Full-time equivalent of all other positions	2	3	2
Average number of all employees	16	22	21
Number of employees at end of year	22	22	22
Average GS grade and salary	4.8 $4,229	5.2 $4,712	5.2 $4,796
01 Personal services:			
Permanent positions	$64,170	$90,800	$92,400
Positions other than permanent	5,532	8,000	6,000
Other personal services	530	900	1,300
Total personal services	70,232	99,700	99,700
03 Transportation of things	110	100	100
04 Communication services	50	100	100
05 Rents and utility services	51		
06 Printing and reproduction	4,951	2,000	2,000
07 Other contractual services	15,633	10,000	10,000
08 Supplies and materials	19,109	21,100	20,800
09 Equipment	745	5,000	5,000
10 Lands and structures	1,750		
11 Grants, subsidies, and contributions	3,302	6,300	6,300
13 Refunds, awards, and indemnities	100		
15 Taxes and assessments	360	300	300
Adjustment of prior year expense	154		
Total costs	116,547	144,600	144,300
Costs financed from obligations of other years, net (−)		−9,911	−700
Obligations incurred for costs of other years, net	28,662		
Total obligations	145,209	134,689	143,600

NATIONAL ARCHIVES GIFT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Preparation of microfilm reproductions	$28,822	$42,000	$42,000
2. Historical research projects	3,538	31,000	26,000
3. Dr. Waldo G. Leland portrait	1,241		
Total obligations	33,601	73,000	68,000

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward	$47,655	$79,557	$81,557
Receipts:			
Sale of microfilm publications	28,193	50,000	50,000
Ford Foundation grant	24,000	25,000	25,000
Rockefeller Brothers grant	5,000		
American Historical Association	8,290		
Dr. Waldo G. Leland portrait	20		
Unobligated balance carried forward	−79,557	−81,557	−88,557
Total financing	33,601	73,000	68,000

The National Archives trust fund board receives and administers donations for the benefit of the National Archives (44 U. S. C. 300cc). Positive microfilm publications are produced for educational institutions, scholars, and others, and historical research is conducted in accordance with grants from private institutions. Current historical projects include the production of negative microfilm copies of certain captured German World War II records for the American Historical Association, and preparation of a documentary history of the ratification of the Constitution and the first 10 amendments for the Ford Foundation.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	6	7	7
Full-time equivalent of all other positions		1	1
Average number of all employees	4	8	8
Number of employees at end of year	7	7	7
Average GS grade and salary	3.0 $3,600	4.7 $4,455	4.7 $4,510
01 Personal services:			
Permanent positions	$13,622	$38,700	$39,000
Positions other than permanent		2,150	2,700
Other personal services	72	150	300
Total personal services	13,694	41,000	42,000
02 Travel	315	1,000	1,000
03 Transportation of things	96		
04 Communication services	28		
05 Rents and utility services	654		
07 Other contractual services	14,143	6,100	6,100
08 Supplies and materials	1,636	19,600	13,600
09 Equipment	1,025	3,000	3,000
11 Grants, subsidies, and contributions	1,910	2,300	2,300
13 Refunds, awards, and indemnities	100		
Total obligations	33,601	73,000	68,000

HOUSING AND HOME FINANCE AGENCY

FEDERAL NATIONAL MORTGAGE ASSOCIATION

SECONDARY MARKET OPERATIONS FUND (TRUST REVOLVING FUND)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Operations:			
Mortgage servicing fees	$7,702,462	$7,975,000	$10,320,000
Other	2,358,237	1,825,000	2,150,000
Interest on borrowings from the public	50,253,378	46,725,493	73,925,000
Interest on borrowings from the Treasury	3,117,214	2,500,000	1,700,000
Income tax equivalent	9,197,716	11,355,000	8,928,000
Dividends on common stock held by the public	645,211	840,000	1,120,000
Dividends on preferred stock held by the Treasury	2,530,000	2,300,000	2,645,000
Total operations	75,804,218	73,520,493	100,788,000
Capital outlay: Mortgage purchase commitments	423,832,729	552,209,698	662,600,000
Total program (obligations)	499,636,947	625,730,191	763,388,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Mortgage loan repayments and sales	413,623,831	143,100,000	152,930,000
Sale of common stock to public	11,704,062	11,168,000	14,000,000
Interest on mortgage loans	70,487,856	74,250,000	98,000,000
Other revenue	11,398,512	6,550,000	7,200,000
Adjustment of prior year revenue	330,577		
Total amounts becoming available	507,544,838	235,068,000	272,130,000

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Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$496,049,852	$742,559,783	$537,127,592
Additional authorization:			
Authorization to purchase additional preferred stock	65,000,000		
10 times increase in the aggregate of capital and retained earnings	173,602,040	185,230,000	184,870,000
Total amounts available	1,242,196,730	1,162,857,783	994,127,592
Unobligated balance carried forward (authorization to expend from public debt receipts)	−742,559,783	−537,127,592	−230,739,592
Financing applied to program	499,636,947	625,730,191	763,388,000

The secondary market operations of the Federal National Mortgage Association were authorized by the Housing Act of 1954 to provide limited liquidity for Government insured and guaranteed mortgages and to improve the distribution of investment capital available for home mortgage financing. Mortgage purchases under these operations are financed by the proceeds from (1) the sale of debentures to private investors, or to the Secretary of the Treasury (the Secretary of the Treasury may hold not more than $2.25 billion of such debentures), (2) subscriptions by the Secretary of the Treasury to Federal National Mortgage Association preferred stock ($92.8 million in 1955 and was increased to $142.8 million in 1957; $65 million of additional preferred stock has been authorized but has not been issued), (3) mandatory subscription by mortgage sellers to the Association's common stock, (4) the sale of mortgages to the investing public, (5) repayments and prepayments of mortgage principal, and (6) income from operations. Government management is intended to be transitional, to be succeeded by private operation when the Government's investment is retired. The present interim program, financed by private as well as Government investment, is treated as a trust fund. Operations are discussed in part I of the budget in connection with the program's general fund financing and effect on budget expenditures.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$550,152,688	$526,800,000	$662,600,000
Expense	63,897,533	58,675,000	87,670,000
Income tax equivalent	9,197,716	11,355,000	8,928,000
Dividends:			
On preferred stock held by Treasury	2,530,000	2,300,000	2,645,000
On common stock held by public	645,211	840,000	1,120,000
General fund financing: Repayment of borrowings to Treasury	706,677,827	415,000,000	485,000,000
Total gross expenditures	1,333,100,975	1,014,970,000	1,247,963,000
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments and sales	413,623,831	143,100,000	152,930,000
Sales of common stock to public	11,704,062	11,168,000	14,000,000
Revenue	81,886,368	80,800,000	105,200,000
Adjustment of prior years' revenue	330,577		
Decrease in selected working capital	16,960,827	5,438,928	5,833,000
General fund financing: Borrowing from Treasury	703,444,013	415,000,000	485,000,000
Total receipts from operations	1,227,949,678	655,506,928	762,963,000
Trust expenditures	105,151,297	359,463,072	485,000,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$81,886,368	$80,800,000	$105,200,000
Expense	64,187,876	58,950,000	88,020,000
Net income before income tax equivalent	17,698,492	21,850,000	17,180,000
Income tax equivalent	9,197,716	11,355,000	8,928,000
Net income for the year	8,500,776	10,495,000	8,252,000

Revenue, Expense, and Retained Earnings—Continued

	1958 actual	1959 estimate	1960 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$4,600,939	$10,257,081	$17,612,081
Adjustment of prior year revenue	330,577		
Dividends:			
On preferred stock held by Treasury (−)	−2,530,000	−2,300,000	−2,645,000
On common stock held by public (−)	−645,211	−840,000	−1,120,000
Retained earnings, end of year	10,257,081	17,612,081	22,099,081
The above is distributed as follows:			
Trust investment	$2,882,364	$5,302,364	$7,191,364
Government investment	7,374,717	12,309,717	14,907,717

Financial Condition

Assets:			
Cash with Treasury	$61,665,534	$52,017,462	$52,017,462
U. S. securities: Federal Housing Administration debentures on hand	28,400	28,400	28,400
Accounts receivable	8,027,708	7,350,000	9,200,000
Deferred charges	1,333,073	1,500,000	1,750,000
Loans receivable, net: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	1,333,261,111	1,716,686,111	2,226,006,111
Total assets	1,404,315,826	1,777,581,973	2,289,001,973
Liabilities:			
Current liabilities	48,396,287	53,508,000	61,616,000
Deferred income—premium on sale of debentures to public	1,133,566	950,000	775,000
Debentures payable	1,165,185,000	1,515,000,000	2,000,000,000
Total liabilities	1,214,714,853	1,569,458,000	2,062,391,000
Trust investment:			
Common stock issued or subscribed:			
Start of year	24,819,525	36,523,587	47,691,587
Increase during the year	11,704,062	11,168,000	14,000,000
End of year	36,523,587	47,691,587	61,691,587
Retained earnings	2,882,364	5,302,364	7,191,364
Total trust investment	39,405,951	52,993,951	68,882,951
Government investment:			
Interest-bearing capital:			
Start of year	3,233,814		
Borrowings from Treasury during year, net	3,233,814		
End of year			
Non-interest-bearing capital (preferred stock issued): Start and end of year	142,820,305	142,820,305	142,820,305
Retained earnings	7,374,717	12,309,717	14,907,717
Total Government investment	150,195,022	155,130,022	157,728,022
Total trust and Government investment	189,600,973	208,123,973	226,610,973

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash and U. S. securities	$51,770,231	$61,693,934	$52,045,862	$52,045,862
Authorization to expend from debt receipts:				
Authorization to expend from public debt receipts	1,346,766,186	2,315,000,000	2,315,000,000	2,315,000,000
Portion available only as corporate debt to the public is retired (−)	−1,050,110,000	−1,165,185,000	−1,515,000,000	−2,000,000,000
Portion available only as capital and surplus are increased (−)		−353,990,270	−168,760,270	
Amount in excess of authorization to expend from public debt receipts	372,407,690			16,109,730
Authorization to expend from debt receipts	669,063,876	795,824,730	631,239,730	331,109,730
Total unexpended balance	720,834,107	857,518,664	683,285,592	383,155,592
Obligated balance, net:				
Current liabilities	29,107,690	48,396,287	53,508,000	61,616,000
Mortgage purchase commitments	200,910,261	74,590,302	100,000,000	100,000,000
Accounts receivable (−)	−5,233,696	−8,027,708	−7,350,000	−9,200,000
Total obligated balance	224,784,255	114,958,881	146,158,000	152,416,000
Unobligated balance	496,049,852	742,559,783	537,127,592	230,739,592

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DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Agricultural Research Service Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 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	$89,109	$87,600	$87,600
(b) Identification service for meat and other products	41,189	41,500	41,500
(c) Contract specification work on meat and meat food products	187,835	200,568	200,568
2. Expenses, feed and attendants for animals in quarantine	15,306	18,358	15,000
3. Miscellaneous contributed funds	249,286	308,326	258,636
4. Prior year advances returned	8,006	4,829	
Total obligations	590,731	661,181	603,304
Financing:			
Unobligated balance brought forward	290,265	271,915	212,402
Receipts:			
Expenses and refunds, inspection and grading of farm products	346,777	329,668	329,668
Expenses, feed and attendants for animals in quarantine	15,467	15,000	15,000
Miscellaneous contributed funds	210,137	257,000	250,000
Unobligated balance carried forward	−271,915	−212,402	−203,766
Total financing	590,731	661,181	603,304

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others.

1. *Expenses and refunds, inspection and grading of farm products* 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*) examination 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, 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	14	15	15
Full-time equivalent of all other positions	8	13	10
Average number of all positions	30	36	34
Number of employees at end of year	11	17	16
Average GS grade and salary	7.3 $5,369	7.4 $5,947	7.5 $5,976
01 Personal services:			
Permanent positions	$100,951	$131,260	$132,007
Positions other than permanent	20,951	40,637	37,162
Other personal services	10,202	12,596	13,040
Total personal services	132,104	184,493	182,209
02 Travel	34,362	39,966	35,344
03 Transportation of things	3,413	785	550
04 Communication services	1,512	1,450	750
05 Rents and utility services	13,481	11,390	6,981
06 Printing and reproduction	616	30	30
07 Other contractual services	9,229	22,029	19,249
Services performed by other agencies	334,546	337,153	335,153
08 Supplies and materials	43,837	39,020	13,491
09 Equipment	3,512	11,900	1,700
11 Grants, subsidies, and contributions	5,509	7,354	7,241
13 Refunds, awards, and indemnities	8,006	4,829	
15 Taxes and assessments	840	1,032	856
Subtotal	590,967	661,431	603,554
Deduct quarters and subsistence charges	$236	$250	$250
Total obligations	590,731	661,181	603,304

EXTENSION SERVICE

Miscellaneous Contributed Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous contributed funds (total obligations)	$2,010	$4,671	$4,600
Financing:			
Receipts	2,010	4,671	4,600

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

	1958 actual	1959 estimate	1960 estimate
02 Travel	$2,010	$4,671	$4,600

SOIL CONSERVATION SERVICE

Soil Conservation Service Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Technical services and other assistance, agricultural conservation program	$7,984,512	$3,425,000	
2. Miscellaneous contributed funds	243,517	250,000	$250,000
Total obligations	8,228,029	3,675,000	250,000
Financing:			
Unobligated balance brought forward	3,268,956	2,902,026	66,542
Receipts:			
Technical services and other assistance, agricultural conservation program	7,669,375	589,516	
Miscellaneous contributed funds	191,724	250,000	250,000
Unobligated balance carried forward	−2,902,026	−66,542	−66,542
Total financing	8,228,029	3,675,000	250,000

1. *Technical services and other assistance, agricultural conservation program.*—For the 1957 and 1958 program years, funds were advanced to the 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 carrying out the agricultural conservation program in participating counties. For the 1959 and subsequent program years these agreements provide that the technical services to agricultural conservation program participants will be performed on a reimbursable basis. 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).

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Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	157	15	15
Full-time equivalent of all other positions	454	215	13
Average number of all employees	1,470	655	34
Number of employees at end of year	851	26	26
Average GS grade and salary	6.4 $4,877	6.7 $5,492	6.8 $5,518
01 Personal services:			
Permanent positions	$4,862,419	$2,209,792	$121,000
Positions other than permanent	1,463,522	727,000	42,000
Other personal services	15,683	8,608	3,000
Total personal services	6,341,624	2,945,400	166,000
02 Travel	58,496	32,300	11,500
03 Transportation of things	266	300	300
04 Communication services	2,014	1,100	500
05 Rents and utility services	1,371	1,400	1,400
06 Printing and reproduction	589	500	500
07 Other contractual services	717,819	266,300	36,300
Services performed by other agencies	120,753	52,500	1,500
08 Supplies and materials	185,671	82,000	7,000
09 Equipment	5,777	1,100	1,100
11 Grants, subsidies, and contributions	322,584	144,000	7,800
13 Refunds, awards, and indemnities	445,678	130,500	15,000
15 Taxes and assessments	25,387	17,600	1,100
Total obligations	8,228,029	3,675,000	250,000

AGRICULTURAL MARKETING SERVICE

Agricultural Marketing Services Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Cottonseed	$20,569	$22,000	$22,100
(b) Dairy products	1,807,372	2,195,750	2,201,500
(c) Fresh and processed fruits and vegetables	4,945,538	5,646,000	5,698,200
(d) Meat	3,957,172	4,404,100	4,489,200
(e) Naval stores	14,995	16,350	16,400
(f) Poultry products	5,935,082	3,623,200	3,450,000
(g) Rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities	1,207,528	1,444,600	1,448,600
2. Miscellaneous contributed funds	154,318	85,900	88,000
Total obligations	18,042,574	17,437,900	17,414,000
Financing:			
Unobligated balance brought forward	5,671,962	6,138,275	5,919,375
Receipts:			
Expenses and refunds, inspection and grading of farm products	18,286,425	17,161,000	16,917,000
Miscellaneous contributed funds	146,190	58,000	56,000
Recovery of prior year obligations	76,272		
Unobligated balance carried forward	−6,138,275	−5,919,375	−5,478,375
Total financing	18,042,574	17,437,900	17,414,000

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). The volume of work performed under the trust fund is shown below.

[In millions]

Commodity	*Unit*	*1958 actual*	*1959 estimate*	*1960 estimate*
Dairy products	Pound	3,442.0	2,780.0	2,780.0
Fresh fruits and vegetables	Car or carlot equivalent.	1.4	1.4	1.4
Processed fruits and vegetables:				
Canned products	Case	152.1	130.0	130.0
Frozen, dried, and miscellaneous	Pound	2,809.7	2,955.0	3,050.0
Meat and meat products graded	Pound	7,147.9	7,437.8	7,764.0
Poultry products graded:				
Shell eggs	Case	28.8	30.0	30.0
Processed eggs	Pound	361.4	364.0	364.0
Poultry, including rabbits	Pound	1,480.5	1,513.4	1,513.4
Poultry products inspected:				
Poultry, including rabbits	Pound	1,637.5	500.0	100.0
Poultry certified for canning	Pound	226.0	190.0	285.0
Grain and related products:				
Rice, beans, and peas	100-pound bag	52.5	57.5	58.0
Seed verification and reverification	Pound	72.3	85.0	85.0

480000—59——58

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3,493	2,652	2,750
Full-time equivalent of all other positions	88	151	148
Average number of all employees	2,676	2,447	2,454
Number of employees at end of year	2,566	2,529	2,594
Average GS grade and salary	7.3 $5,312	7.3 $5,857	7.3 $5,822
Average salary of ungraded positions	$3,991	$4,191	$4,194
01 Personal services:			
Permanent positions	$13,156,105	$12,646,027	$12,607,891
Positions other than permanent	341,938	637,315	624,960
Other personal services	664,597	372,236	402,449
Total personal services	14,162,640	13,655,578	13,635,300
02 Travel	1,392,842	1,297,210	1,300,400
03 Transportation of things	62,470	48,950	47,900
04 Communication services	219,765	230,450	230,500
05 Rents and utility services	86,131	88,600	87,500
06 Printing and reproduction	102,366	132,100	131,300
07 Other contractual services	733,998	905,800	908,700
Services performed by other agencies	231,247		
08 Supplies and materials	133,503	146,150	145,700
09 Equipment	133,553	105,000	101,600
11 Grants, subsidies, and contributions	750,282	793,537	790,200
13 Refunds, awards, and indemnities	6,772	7,400	7,600
15 Taxes and assessments	27,005	27,125	27,300
Total obligations	18,042,574	17,437,900	17,414,000

COMMODITY STABILIZATION SERVICE

Miscellaneous Contributed Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous contributed funds (total obligations)	$78,797	$20,000	$15,000
Financing:			
Unobligated balance brought forward	6,323	5,627	
Receipts	78,101	14,373	15,000
Unobligated balance carried forward	−5,627		
Total financing	78,797	20,000	15,000

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$78,797	$20,000	$15,000

FARMERS' HOME ADMINISTRATION

State Rural Rehabilitation Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Acquisition of assets:			
Loan commitments	$12,186,329	$14,015,970	$6,800,000
Other	9,133	6,000	4,000
2. Expense	614,174	451,815	237,402
3. Funds returned to States	190,250	1,360,200	1,560,025
Total obligations	12,999,886	15,833,985	8,601,427
Financing:			
Amounts becoming available:			
Loans repaid	18,304,206	8,600,000	4,660,000
Sale of property	1,688		
Payments on judgments	22,863	20,000	14,000
Interest income	1,243,923	864,100	655,050
Other income	30,171	200	
Total amounts becoming available	19,602,851	9,484,300	5,329,050

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DEPARTMENT OF AGRICULTURE—Continued

FARMERS' HOME ADMINISTRATION—Continued

STATE RURAL REHABILITATION FUNDS—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Unobligated balance brought forward	$3,874,802	$10,477,767	$4,128,082
Total amounts available	23,477,653	19,962,067	9,457,132
Unobligated balance carried forward	−10,477,767	−4,128,082	−855,705
Financing applied to program	12,999,886	15,833,985	8,601,427

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 Administration 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 $5,534,158 in cash and other assets returned to States for rural rehabilitation purposes agreed upon between each corporation and the Federal Government.

Declining activity is expected in 1960 as a result of more rapid return of assets to State corporations. Actual and estimated loan operations for 1957, 1958, 1959, and 1960 are as follows:

	Operating		*Farm ownership*	
	Number	*Amount*	*Number*	*Amount*
1957	2,086	$3,383,703	721	$8,810,370
1958	1,043	1,799,719	753	10,386,610
1959 estimate	1,325	2,200,000	855	11,815,970
1960 estimate	495	800,000	435	6,000,000

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$10,367,864	$15,200,000	$7,400,000
Other acquisitions	9,133	6,000	4,000
Expense	717,516	596,200	342,100
Assets returned to States	190,250	1,816,000	1,900,000
Total gross expenditures	11,284,763	17,618,200	9,646,100
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	18,304,206	8,600,000	4,660,000
Proceeds from sale of acquired property	1,688		
Payments on judgments	22,863	20,000	14,000
Revenue	1,274,094	864,300	655,050
Decrease in selected working capital	65,757	929,200	536,850
Total receipts from operations	19,668,608	10,413,500	5,865,900
Trust expenditures	−8,383,845	7,204,700	3,780,200

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$1,274,998	$864,300	$655,050
Expense	669,549	346,227	26,430
Net operating income	605,449	518,073	628,620
Nonoperating loss (−):			
Sale of acquired property	1,688		
Net book value of assets sold (−)	−13,526		
Net nonoperating loss (−)	−11,838		
Net income for the year	593,611	518,073	628,620
Deficit (−), beginning of year	−4,332,037	−3,738,426	−3,220,353
Deficit (−), end of year	−3,738,426	−3,220,353	−2,591,733

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$11,100,048	$3,891,348	$106,148
U. S. securities (par)	222,000	226,000	231,000
Accounts receivable, net	1,600,400	1,271,385	1,179,208
Loans receivable, net	18,082,717	20,127,439	10,525,311
Acquired security or collateral	2,681	5,181	7,681
Real estate acquired through foreclosure	34,811	34,811	34,811
Judgments, net	33,780	26,280	19,780
Total assets	31,076,437	25,582,444	12,103,939
Liabilities:			
Current	60,651	60,651	60,651
Investment of States:			
Start of year	35,908,659	34,754,212	28,742,146
Assets transferred under trust agreement during year, net (−)	−1,154,447	−6,012,066	−14,107,125
End of year	34,754,212	28,742,146	14,635,021
Deficit (−)	−3,738,426	−3,220,353	−2,591,733
Total investment of States	31,015,786	25,521,793	12,043,288

Status of Certain Fund Balances

	1957 actual	1958 actual	1959 estimate	1960 estimate
Unexpended balance: Cash with Treasury and U. S. securities	$2,938,203	$11,322,048	$4,117,348	$337,148
Obligated balance, net:				
Current liabilities	50,272	60,651	60,651	60,651
Undisbursed loan commitments	565,565	2,384,030	1,200,000	600,000
Accounts receivable, net, and cash in transit (−)	−1,552,436	−1,600,400	−1,271,385	−1,179,208
Total obligated balance	−936,599	844,281	−10,734	−518,557
Unobligated balance	3,874,802	10,477,767	4,128,082	855,705

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	59	50	23
	Average number of all employees	57	41	21
	Number of employees at end of year	48	44	22
	Average GS grade and salary	5.4 $4,537	5.5 $5,042	5.3 $4,972
01	Personal services:			
	Permanent positions	$269,710	$208,740	$102,940
	Other personal services	873	960	860
	Total personal services	270,583	209,700	103,800
02	Travel	36,304	28,100	23,000
07	Other contractual services	1,002	700	400
	Services performed by other agencies	74,652	78,000	66,000
11	Grants, subsidies, and contributions	16,429	13,410	6,730
13	Refunds, awards, and indemnities	190,250	1,360,200	1,560,025
15	Taxes and assessments	93	90	70
16	Investments and loans	12,195,462	14,021,970	6,804,000
	Undistributed charges	215,111	121,815	37,402
	Total obligations	12,999,886	15,833,985	8,601,427

OFFICE OF INFORMATION

MISCELLANEOUS CONTRIBUTED FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations)	$3,538	$613	
Financing:			
Unobligated balance brought forward	2,071	613	
Receipts	2,080		
Unobligated balance carried forward	613		
Total financing	3,538	613	

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

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Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$1,123		
03 Transportation of things	352	$300	
07 Other contractual services: Services performed by other agencies	2,063	313	
Total obligations	3,538	613	

FOREST SERVICE

Forest Service Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Cooperative work:			
(a) Construction and maintenance of roads and trails	$1,122,003	$1,000,000	$1,000,000
(b) Construction and maintenance of other improvements	368,962	350,000	350,000
(c) Protection of national forests and adjacent private land	2,186,043	2,200,000	2,200,000
(d) Sale area betterment and scaling	9,604,525	9,930,000	9,930,000
(e) Research investigations	872,827	900,000	900,000
(f) Administration	52,077	60,000	60,000
(g) Reforestation	85,806	60,000	60,000
2. Miscellaneous contributed funds	2,297	17,414	
3. Technical services and other assistance, agricultural conservation program	16,725	4,360	
Total obligations	14,311,265	14,521,774	14,500,000
Financing:			
Unobligated balance brought forward	15,176,197	13,557,702	12,055,928
Receipts:			
Cooperative work	12,678,891	13,000,000	13,000,000
Technical services and other assistance, agricultural conservation program	13,879	20,000	20,000
Unobligated balance carried forward	−13,557,702	−12,055,928	−10,575,928
Total financing	14,311,265	14,521,774	14,500,000

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

	1958 actual	1959 estimate	1960 estimate
FOREST SERVICE			
Total number of permanent positions	1,105	1,106	1,106
Full-time equivalent of all other positions	1,428	1,326	1,326
Average number of all employees	2,529	2,415	2,415
Number of employees at end of year	3,642	3,590	3,590
Average GS grade and salary	6.6 $5,008	6.7 $5,589	6.8 $5,589
Average salary of ungraded positions	$4,337	$4,569	$4,569
01 Personal services:			
Permanent positions	$4,544,509	$4,831,808	$4,831,808
Positions other than permanent	4,454,876	4,245,339	4,245,339
Other personal services	158,517	136,069	154,629
Total personal services	9,157,902	9,213,216	9,231,776
02 Travel	123,150	132,100	132,100
03 Transportation of things	59,875	70,900	70,900
04 Communication services	69,254	80,700	80,700
05 Rents and utility services	122,306	135,200	135,200
06 Printing and reproduction	5,925	6,200	6,200
07 Other contractual services	915,812	1,199,570	1,194,450
Services performed by other agencies	1,036,025	1,168,760	1,163,800
08 Supplies and materials	1,597,952	1,607,464	1,600,100
09 Equipment	377,515	322,400	322,400
10 Lands and structures	262,741	256,100	256,100
11 Grants, subsidies, and contributions	290,288	312,736	312,800
13 Refunds, awards, and indemnities	133,963	122,800	122,800
15 Taxes and assessments	104,839	102,418	102,480
Subtotal	14,257,547	14,730,564	14,731,806
Deduct quarters and subsistence charges	223,266	231,806	231,806
Total, Forest Service	14,034,281	14,498,758	14,500,000
ALLOCATION TO DEPARTMENT OF COMMERCE			
Total number of permanent positions	4		
Full-time equivalent of all other positions	3	1	
Average number of all employees	6	1	
Number of employees at end of year	1	1	
Average GS grade and salary	7.7 $5,883		
01 Personal services:			
Permanent positions	$16,519		
Positions other than permanent	17,587	$3,770	
Other personal services	10,545		
Total personal services	44,651	3,770	
02 Travel	4,415	1,000	
03 Transportation of things	124		
07 Other contractual services	8,554	15,000	
08 Supplies and materials	184		
09 Equipment	18		
10 Lands and structures	216,678	3,131	
11 Grants, subsidies, and contributions	2,122	55	
15 Taxes and assessments	419	60	
Subtotal	277,165	23,016	
Deduct quarters and subsistence charges	181		
Total, Department of Commerce	276,984	23,016	
Total obligations	14,311,265	14,521,774	14,500,000

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

Special Statistical Work

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Age and citizenship searches	$679,137	$714,000	$715,000
2. Other special statistical studies	1,195,519	964,850	619,000
3. General administration	253,397	171,150	166,000
Total obligations	2,128,053	1,850,000	1,500,000
Financing:			
Unobligated balance brought forward	747,679	389,691	300,000
Receipts	1,770,065	1,760,309	1,500,000
Unobligated balances carried forward	−389,691	−300,000	−300,000
Total financing	2,128,053	1,850,000	1,500,000

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

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DEPARTMENT OF COMMERCE—Continued

BUREAU OF THE CENSUS—Continued

SPECIAL STATISTICAL WORK—Continued

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	269	273	273
Full-time equivalent of all other positions	98	17	
Average number of all employees	350	290	265
Number of employees at end of year	330	290	273
Average GS grade and salary	6.6 $5,128	6.6 $5,651	6.6 $5,646
Average salary of ungraded positions	$4,609	$5,080	$5,080
01 Personal services:			
Permanent positions	$1,214,153	$1,319,897	$1,343,000
Positions other than permanent	356,760	73,210	
Other personal services	66,801	30,606	12,000
Total personal services	1,637,714	1,423,713	1,355,000
02 Travel	79,242	68,883	
03 Transportation of things	2,481	2,157	
04 Communication services	27,450	23,863	
05 Rents and utility services	35,048	30,468	24,000
06 Printing and reproduction	51,506	44,776	10,000
07 Other contractual services	14,317	12,446	10,000
Services performed by other agencies	2,201	1,913	
Payments to miscellaneous receipts	39,854	34,646	28,000
08 Supplies and materials	19,445	16,904	3,000
09 Equipment	1,273	1,107	
11 Grants, subsidies, and contributions	86,955	75,593	60,000
13 Refunds, awards, and indemnities	124,719	108,422	10,000
15 Taxes and assessments	5,848	5,109	
Total obligations	2,128,053	1,850,000	1,500,000

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

BUSINESS AND DEFENSE SERVICES ADMINISTRATION TRUST FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Special studies and reports	$9,288	$10,000	$10,000
2. Preparation of transcripts of studies, tables, and other records	288,806	300,000	300,000
Total obligations	298,094	310,000	310,000
Financing:			
Unobligated balance brought forward	132,711	164,866	164,866
Receipts:			
Special statistical work	11,297	10,000	10,000
Expenses, transcripts of studies, tables, and other records	318,952	300,000	300,000
Unobligated balance carried forward	−164,866	−164,866	−164,866
Total financing	298,094	310,000	310,000

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

	1958 actual	1959 estimate	1960 estimate
06 Printing and reproduction	$2,811	$3,000	$3,000
07 Other contractual services: Services performed by other agencies	295,256	307,000	307,000
08 Supplies and materials	27		
Total obligations	298,094	310,000	310,000

MARITIME ACTIVITIES

UNITED STATES MERCHANT MARINE ACADEMY, KINGS POINT, N. Y., DONATIONS FOR CHAPEL AND LIBRARY

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction of chapel (total obligations)	$35,535	$634,035	$30,000
Financing:			
Unobligated balance brought forward:			
Cash	5,150	17,385	
U. S. securities (par)	423,650	586,650	
Receipts	210,394	30,000	30,000
Gain from premium or discount on investment	376		
Unobligated balance carried forward:			
Cash	−17,385		
U. S. securities (par)	−586,650		
Total financing	35,535	634,035	30,000

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). The initial phase of construction will commence in 1959.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures	$35,535	$634,035	$30,000

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. 434.

OTHER BUREAU OF PUBLIC ROADS TRUST FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Cooperative work, forest highways	$224,031	$75,783	
2. Equipment, supplies, etc., for cooperating countries	4,708,119	5,000,000	$5,000,000
3. Technical assistance, United States dollars advanced from foreign governments	5,362,620	4,673,421	4,000,000
4. Contributed funds, highways for Alaska	1,457,917	1,748,367	1,382,988
5. Funds contributed for improvement of roads, bridges and trails, Alaska	100,363		
Total obligations	11,853,050	11,497,571	10,382,988
Financing:			
Unobligated balance brought forward	201,073	342,724	
Receipts:			
Cooperative work, forest highways	218,000	74,000	
Equipment, supplies, etc., for cooperating countries	4,708,119	5,000,000	5,000,000
Technical assistance, United States dollars advanced from foreign governments	5,536,041	4,500,000	4,000,000
Contributed funds, highways for Alaska	1,432,178	1,580,847	1,382,988
Funds contributed for improvement of roads, bridges, and trails, Alaska	100,363		
Unobligated balance carried forward	−342,724		
Total financing	11,853,050	11,497,571	10,382,988

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

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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 and the Export-Import Bank of Washington, the Bureau of Public Roads 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, Turkey, Iraq, and Liberia (68 Stat. 841–861).

4. *Contributed funds, highways for Alaska.*—Alaska has contributed funds each year in an amount of not less than 10 percent of Federal funds apportioned to it. These funds have been expended in conjunction with Federal funds apportioned for construction and maintenance of roads within Federal-aid systems (70 Stat. 374). Beginning in 1960 Alaska will participate in the Federal-aid highway program on the same basis as other States.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	130	70	68
Full-time equivalent of all other positions	9	17	17
Average number of all employees	112	83	81
Number of employees at end of year	62	67	65
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 6,604
01 Personal services:			
Permanent positions	$825,605	$580,265	$571,000
Positions other than permanent	66,719	129,000	129,000
Other personal services	180,322	103,735	105,000
Total personal services	1,072,646	813,000	805,000
02 Travel	86,101	78,000	75,000
03 Transportation of things	580,704	550,000	545,000
04 Communication services	1,027	1,800	1,500
05 Rents and utility services	511		
06 Printing and reproduction	1	600	1,000
07 Other contractual services	7,337	7,000	7,000
Services performed by other agencies	879,237	948,521	908,000
08 Supplies and materials	996,538	716,000	711,000
09 Equipment	3,284,736	2,755,000	2,091,000
10 Lands and structures	4,933,257	5,587,950	5,198,788
11 Grants, subsidies, and contributions	14,674	36,700	36,700
13 Refunds, awards, and indemnities	138		
15 Taxes and assessments	1,365	3,000	3,000
Subtotal	11,858,272	11,497,571	10,382,988
Deduct quarters and subsistence charges	5,222		
Total obligations	11,853,050	11,497,571	10,382,988

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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Physics and electronics	$15,509	$12,000	
2. Chemistry and metallurgy	135,588	115,000	$27,000
3. Mechanics and engineering	11,231	12,000	
4. Radio propagation	3,845		
5. General services	2,814		5,000
Total obligations	168,987	139,000	32,000
Financing:			
Unobligated balance brought forward	173,063	143,895	44,895
Receipts (15 U. S. C. 278a)	139,819	40,000	20,000
Unobligated balance carried forward	−143,895	−44,895	−32,895
Total financing	168,987	139,000	32,000

This trust fund is maintained to account for gifts or bequests for the purpose of aiding and facilitating the work of the National Bureau of Standards (15 U. S. C. 278a).

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$168,987	$139,000	$32,000

Advances and Reimbursements (Trust Fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Preservation of documents for the Library of Congress	$1		
2. Return of funds to donor		$30	
Total obligations	1	30	
Financing:			
Unobligated balance brought forward	31	30	
Unobligated balance carried forward	−30		
Total financing	1	30	

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$1		
13 Refunds, awards, and indemnities		$30	
Total obligations	1	30	

WEATHER BUREAU

Special Statistical Work

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Meteorological statistical studies	$67,050	$61,000	
2. Return of funds to donor	846		
Total obligations	67,896	61,000	
Financing:			
Unobligated balance brought forward	11,200	9,288	
Receipts	65,984	51,712	
Unobligated balance carried forward	−9,288		
Total financing	67,896	61,000	

Payments are received from non-Government interests for the performance of special statistical studies, usually involving climatological data (49 Stat. 293).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	9	8	
Number of employees at end of year	6	5	
01 Personal services: Positions other than permanent	$36,991	$32,800	
02 Travel	4		
03 Transportation of things	1,116	1,000	
05 Rents and utility services	17,544	17,000	
06 Printing and reproduction	2,172	2,100	
07 Other contractual services	2,799	2,500	
08 Supplies and materials	5,323	5,000	
11 Grants, subsidies, and contributions	473		
13 Refunds, awards, and indemnities	846		
15 Taxes and assessments	628	600	
Total obligations	67,896	61,000	

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DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

OPERATION AND MAINTENANCE

Army Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Supplies and expenses, United Nations Korean Reconstruction Agency	$336,046	$18,063	
2. Bequest of William F. Edgar, museum and library, Office of the Surgeon General	43		
3. Bequest of Maj. Gen. Fred C. Ainsworth Library, Walter Reed General Hospital	178	180	$180
4. Kermit Roosevelt fund, Department of the Army	1,400	1,500	1,500
5. Department of the Army general gift fund	6,870	36,700	5,700
6. National Guard armory construction, State contributed funds		1,867	
Total obligations	344,537	58,310	7,380
Financing:			
Unobligated balance brought forward:			
Cash	496,941	192,345	141,520
U. S. securities (par)	31,300	31,750	31,750
Receipts:			
Bequest of Maj. Gen. Fred C. Ainsworth Library, Walter Reed General Hospital	285	285	285
Kermit Roosevelt fund, Department of the Army	1,400	1,500	1,500
National Guard armory construction, State contributed funds	7		
General gift fund, donations:			
Cash	38,249	5,700	5,700
U. S. securities (par)	450		
Unobligated balance carried forward:			
Cash	−192,345	−141,520	−141,625
U. S. securities (par)	−31,750	−31,750	−31,750
Total financing	344,537	58,310	7,380

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).

4. *Kermit Roosevelt fund, Department of the Army.*—Proceeds of this fund are used to foster better understanding between the military forces of the United States and the United Kingdom through an exchange of lecturers selected by the Chiefs of Staffs of the United States and United Kingdom (5 U. S. C. 224–228).

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	1	1	
Average number of all employees	1	1	
Number of employees at end of year	1	0	
Average GS grade and salary	6.0 $4,890	6.0 $5,390	
01 Personal services:			
Permanent positions	$5,132	$2,900	
Other personal services	20		
Total personal services	5,152	2,900	
02 Travel	1,484	1,500	$1,500
03 Transportation of things	21,282	1,163	
07 Other contractual services	3,157	2,000	1,000
08 Supplies and materials	9,220	2,060	2,060
09 Equipment	3,913	33,820	2,820
11 Grants, subsidies, and contributions	329		
13 Refunds, awards, and indemnities	300,000	14,867	
Total obligations	344,537	58,310	7,380

Navy Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Naval reservation, Olongapo civic fund	$666,912	$710,043	$713,311
2. U. S. Naval Academy general gift fund	2,458	2,500	2,500
3. U. S. Naval Academy museum fund	1,904	700	700
4. U. S. Department of the Navy general gift fund	206	10,000	15,000
Total obligations	671,480	723,243	731,511
Financing:			
Unobligated balance brought forward:			
Cash	141,713	119,233	118,610
U. S. securities (par)	146,500	146,500	153,500
Receipts:			
Naval reservation, Olongapo civic fund: Taxes	603,708	697,550	720,562
U. S. Naval Academy general gift fund: Income	2,608	2,715	2,815
U. S. Naval Academy museum fund:			
Contributions	358	300	300
Income	574	575	575
Department of the Navy general gift fund:			
Contributions	26,052	15,000	15,000
Interest	1,510	50	50
Office of naval records and history fund: Income	14,190	13,430	13,430
Unobligated balance carried forward:			
Cash	−119,233	−118,610	−139,831
U. S. securities (par)	−146,500	−153,500	−153,500
Total financing	671,480	723,243	731,511

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

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$667,118	$720,043	$728,311
08 Supplies and materials	4,362	3,200	3,20
Total obligations	671,480	723,243	731,511

Air Force General Gift Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Equipment for Air Force Academy	$6,500	$7,900	$7,900
2. Recreation and entertainment	216	100	100
Total obligations	6,716	8,000	8,000
Financing:			
Receipts:			
Donations	6,500	7,900	7,900
Royalties	216	100	100
Total financing	6,716	8,000	8,000

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

	1958 actual	1959 estimate	1960 estimate
08 Supplies and materials	$216	$100	$100
09 Equipment	6,500	7,900	7,900
Total obligations	6,716	8,000	8,000

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DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

RIVERS AND HARBORS AND FLOOD CONTROL, ARMY

Rivers and Harbors and Flood Control, Army, Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction:			
(a) Where required for an authorized Federal project:			
(1) Contributed funds	$5,191,887	$10,041,805	$7,651,427
(2) Advanced funds	12,807	768	
(b) Where not required for an authorized Federal project (contributed funds)	4,140,052	6,731,139	3,942,400
2. Maintenance (contributed funds)	63,925	80,740	54,000
3. Returned to contributing interests:			
(1) Contributed funds	122,877	117,648	
(2) Advanced funds	43,422	415,500	
Total program costs	9,574,970	17,387,600	11,647,827
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,351,748	−1,110,217
Obligations incurred for costs of other years, net	1,325,433		
Total program (obligations)	10,900,403	16,035,852	10,537,610
Financing:			
Unobligated balance brought forward	6,685,769	5,789,794	3,364,942
Receipts (contributions and advances from local interests)	9,771,662	13,533,000	8,054,600
Recovery of prior year obligations	232,766	78,000	
Unobligated balance carried forward	−5,789,794	−3,364,942	−881,932
Total financing	10,900,403	16,035,852	10,537,610

1–3. (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:

	1957 actual	*1958 actual*	*1959 estimate*	*1960 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) Contributed funds	$3,215,300	$4,584,160	$3,232,412	$2,122,195
(2) Advanced funds	43,422			
Advances (payments for goods and services on order not yet received) (advanced funds)	5			
Total selected resources at end of year	3,258,727	4,584,160	3,232,412	2,122,195
Selected resources at start of year (−)		−3,258,727	−4,584,160	−3,232,412
Costs financed from obligations of other years, net (−)			−1,351,748	−1,110,217
Obligations incurred for costs of other years, net		1,325,433		

Object Classification

	1958 actual		1959 estimate		1960 estimate	
Total number of permanent positions		16		18		18
Average number of all employees		14		17		17
Number of employees at end of year		15		15		15
Average GS grade and salary	7.4	$5,552	7.3	$6,129	7.3	$6,155
01 Personal services:						
Permanent positions		$82,712		$102,750		$102,950
Positions other than permanent		228		250		250
Other personal services		475		600		1,000
Total personal services		83,415		103,600		104,200

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
02 Travel	$1,942	$3,100	$1,200
03 Transportation of things	168	100	
04 Communication services	332	800	200
05 Rents and utility services	4,820	10,100	4,500
06 Printing and reproduction	81	100	100
07 Other contractual services	865,557	695,000	420,000
Services performed by—			
Other agencies	1,966	5,100	
"Revolving fund, Corps of Engineers, Army"	1,373,352	2,203,552	1,680,410
08 Supplies and materials	1,661	2,000	1,500
09 Equipment	407		
10 Lands and structures	8,561,741	13,007,000	8,320,000
11 Grants, subsidies, and contributions	4,961	5,400	5,500
Total obligations	10,900,403	16,035,852	10,537,610

Advances and Reimbursements, Rivers and Harbors and Flood Control, Army (Trust Fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Consultant services (Department of State) (total obligations)	$250	$2,235	
Financing:			
Unobligated balance brought forward	2,485	2,235	
Unobligated balance carried forward	−2,235		
Total financing	250	2,235	

Object Classification

07 Other contractual services	$250	$2,235	

RYUKYU ISLANDS, ARMY

Proceeds of Remittances to and Exports From Ryukyu Islands, Army

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Imports financed (total obligations)	$2,667	$3,400	
Financing:			
Unobligated balance brought forward	217,241	214,574	$211,174
Unobligated balance carried forward	−214,574	−211,174	−211,174
Total financing	2,667	3,400	

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

	1958 actual	1959 estimate	1960 estimate
08 Supplies and materials	$2,667	$3,400	

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, p. 564.

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DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS—Continued

UNITED STATES SOLDIERS' HOME—Continued

Soldiers' Home Permanent Fund

Amounts Available for Transfer

	1958 actual	1959 estimate	1960 estimate
Unappropriated balance brought forward	$77,542,988	$85,765,890	$93,037,390
Receipts:			
Stoppages, fines, and forfeitures	8,510,330	8,400,000	8,400,000
Estates of deceased soldiers and airmen	475,300	480,000	480,000
Withheld pay	1,622,885	1,515,000	1,515,000
Interest credited	2,422,610	2,600,000	2,900,000
All other	36,108	36,000	36,000
Unobligated balance returned	3,779		
Total available	90,614,000	98,796,890	106,368,390
Transferred to—			
"Limitation on operation and maintenance and capital outlay":			
Authorized	−4,817,000	−5,531,500	−10,948,000
Proposed increase due to pay increases		−197,000	
"Payment of certified claims"	−31,110	−31,000	−31,000
Balance carried forward	85,765,890	93,037,390	95,389,390

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 appropriation only as appropriated annually by Congress (24 U. S. C. 44, 45; 31 U. S. C. 725s).

Payment of Claims

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of certified claims (total obligations)	$31,110	$31,000	$31,000
Financing:			
Receipts from "Soldiers Home permanent fund"	31,110	31,000	31,000

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, 711 (12); 24 U. S. C. 44).

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$31,110	$31,000	$31,000

United States Soldiers' Home Revolving Fund

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.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Sales program:			
Purchase of commodities for sale	$87,616	$91,000	$91,000
Returned to permanent fund	10,000	3,000	
Total gross expenditures	97,616	94,000	91,000
Receipts from operations (funds provided):			
Sales program: Revenue	93,204	97,000	97,000
Decrease in selected working capital	115		
Total receipts from operations	93,319	97,000	97,000
Trust expenditures	4,297	−3,000	−6,000

Revenue, Expense, and Retained Earnings

Revenue	$93,204	$97,000	$97,000
Expense	93,204	97,000	97,000
Net operating income			
Nonoperating income (inventory adjustment, net income for the year)	12		
Analysis of retained earnings:			
Retained earnings, beginning of year	11,854	1,866	
Returned to permanent fund (−)	−10,000	−1,866	
Retained earnings, end of year	1,866		

Financial Condition

Assets:			
Cash with Treasury	$28,670	$31,670	$37,670
Accounts receivable, net	1,005	1,005	1,005
Commodities for sale	129,021	123,021	117,021
Total assets	158,696	155,696	155,696
Liabilities:			
Current	2,000	2,000	2,000
Net trust investment:			
Start of year	154,830	154,830	153,696
Returned to permanent funds (−)		−1,134	
End of year	154,830	153,696	153,696
Retained earnings	1,866		
Total trust investment	156,696	153,696	153,696

Object Classification

06 Printing and reproduction	$665	$900	$900
08 Supplies and materials	71,405	81,640	84,640
09 Equipment	5,546	5,460	5,460
Returned to permanent fund	10,000	3,000	
Total obligations	87,616	91,000	91,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

FREEDMEN'S HOSPITAL

Conditional Gift Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Research		$422	
2. Conditional gifts	$1,032	556	
3. Unconditional gifts	1,507	7,096	
Total obligations	2,539	8,074	
Financing:			
Unobligated balance brought forward	1,527	8,074	
Receipts:			
Conditional gift fund	483		
Unconditional gift fund	8,603		
Unobligated balance carried forward	−8,074		
Total financing	2,539	8,074	

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This trust fund is maintained to account for gifts to Freedmen's Hospital (55 Stat. 187).

Object Classification

		1958 actual	1959 estimate	1960 estimate
07	Other contractual services	$567		
08	Supplies and materials	326	$300	
09	Equipment	1,646	7,774	
	Total obligations	2,539	8,074	

PUBLIC HEALTH SERVICE

Public Health Service Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Patients' benefits	$28,909	$25,000	$25,000
2. Unconditional gifts	84,305	6,000	6,000
3. Conditional gifts	22,762	125,000	102,000
Total obligations	135,976	156,000	133,000
Financing:			
Unobligated balance brought forward:			
Cash	162,650	143,446	110,446
U. S. securities (par)	83,400	78,400	73,400
Receipts:			
Patients' benefits	24,233	25,000	25,000
Unconditional gifts:			
Contributions	22,270	18,556	16,905
Interest	2,794	2,444	2,095
Conditional gifts:			
Contributions	60,595	70,225	96,350
Interest	1,880	1,775	1,650
Unobligated balance carried forward:			
Cash	−143,446	−110,446	−124,446
U. S. securities (par)	−78,400	−73,400	−68,400
Total financing	135,976	156,000	133,000

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., and for research or other activities of the Service (42 U. S. C. 219).

Object Classification

		1958 actual	1959 estimate	1960 estimate
	Total number of permanent positions	3	10	10
	Full-time equivalent of all other positions		2	1
	Average number of all employees	2	8	11
	Number of employees at end of year	3	9	10
	Average GS grade and salary	6.7 $4,442	7.2 $5,121	7.2 $5,121
01	Personal services:			
	Permanent positions	$10,797	$29,843	$52,102
	Positions other than permanent		8,495	3,170
	Other personal services	38	203	400
	Total personal services	10,835	38,541	55,672
02	Travel	4,048	5,491	2,100
03	Transportation of things	15	6,000	
04	Communication services	4,451	5,000	5,000
05	Rents and utility services	205	15,500	9,000
06	Printing and reproduction	270	4,000	4,000
07	Other contractual services	1,892	3,233	2,433
08	Supplies and materials	20,806	47,600	35,700
09	Equipment	12,661	23,500	11,000
11	Grants, subsidies, and contributions	80,761	7,035	7,995
15	Taxes and assessments	32	100	100
	Total obligations	135,976	156,000	133,000

SAINT ELIZABETHS HOSPITAL

Patients' Benefit Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Personal needs of indigent patients	$587	$600	$600
2. Conditional gift fund	9,715	1,017	
Total obligations	10,302	1,617	600
Financing:			
Unobligated balance brought forward	$13,185	$5,857	$4,540
Receipts:			
Patients' benefit fund	1,393	300	300
Conditional gift fund	1,581		
Unobligated balance carried forward	−5,857	−4,540	−4,240
Total financing	10,302	1,617	600

Donations are received and used for patients' benefits as provided by the donors (24 U. S. C. 165).

Object Classification

		1958 actual	1959 estimate	1960 estimate
08	Supplies and materials	$587	$600	$600
09	Equipment	9,715	1,017	
	Total obligations	10,302	1,617	600

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, p. 636.

OFFICE OF THE SECRETARY

Advances and Reimbursements (Trust Fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Prior year advances returned (total obligations)	$97		
Financing:			
Unobligated balance brought forward	97		

Object Classification

		1958 actual	1959 estimate	1960 estimate
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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Construction	$798,430	$647,235	$315,000
2. Returned to donor	5,923		
Total program costs	804,353	647,235	315,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−205,729	−4,092	−15,000
Total program (obligations)	598,624	643,143	300,000
Financing:			
Unobligated balance brought forward	349,467	81,643	300,000
Receipts from contributions for construction	330,800	861,500	
Unobligated balance carried forward	−81,643	−300,000	
Total financing	598,624	643,143	300,000

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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

1. *Construction.*—Various public and private utilities advanced 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 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: 1957, $224,821; 1958, $19,092; 1959, $15,000.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	16	14	9
Full-time equivalent of all other positions	1	1	1
Average number of all employees	16	14	6
Number of employees at end of year	16	14	7
Average GS grade and salary	8.0 $6,002	8.1 $6,681	8.1 $6,664
Average salary of ungraded positions	$6,050	$6,326	$6,329
01 Personal services:			
Permanent positions	$95,726	$88,800	$42,500
Positions other than permanent	9,591	6,600	4,500
Other personal services	14,520	13,200	7,500
Total personal services	119,837	108,600	54,500
02 Travel	24,464	23,000	12,000
03 Transportation of things	1,528	1,300	700
04 Communication services	2		
05 Rents and utility services	112		
07 Other contractual services	5,247	5,300	2,500
Services performed by other agencies	218,614	210,600	105,000
08 Supplies and materials	203,267	269,743	112,700
09 Equipment	11,816	16,400	9,000
10 Lands and structures	2,331	2,600	1,000
11 Grants, subsidies, and contributions	5,483	5,600	2,600
13 Refunds, awards, and indemnities	5,923		
Total obligations	598,624	643,143	300,000

BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT TRUST FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Contributed funds	$387,140	$550,000	$550,000
2. Expenses, public survey work	30,426	30,000	30,000
3. Trustee funds, Alaska townsites	27,804	30,000	30,000
Total obligations	445,370	610,000	610,000
Financing:			
Unobligated balance brought forward	376,623	511,686	451,686
Receipts:			
Contributed funds	532,831	500,000	500,000
Expenses, public survey work	24,747	25,000	25,000
Trustee funds, Alaska townsites	22,855	25,000	25,000
Unobligated balance carried forward	−511,686	−451,686	−391,686
Total financing	445,370	610,000	610,000

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, 315i, 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

	1958 actual	1959 estimate	1960 estimate
BUREAU OF LAND MANAGEMENT			
Average number of all employees	13	16	16
Number of employees at end of year	11	14	14
01 Personal services: Positions other than permanent	$63,445	$85,000	$85,000
02 Travel	7,301	10,000	10,000
03 Transportation of things	1,046	2,000	2,200
04 Communication services	189	200	300
05 Rents and utility services	500	500	500
06 Printing and reproduction	445	500	700
07 Other contractual services	125,104	120,000	145,000
Services performed by other agencies	10,435	5,000	
08 Supplies and materials	81,157	85,000	77,500
09 Equipment	2,733	5,000	15,000
10 Lands and structures	8,486	10,000	37,000
11 Grants, subsidies, and contributions	157	200	200
13 Refunds, awards, and indemnities	2,714	19,593	50,000
15 Taxes and assessments	1,002	1,600	1,600
Total, Bureau of Land Management	304,714	344,593	425,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	8	22	22
Full-time equivalent of all other positions	1	4	5
Average number of all employees	7	26	27
Number of employees at end of year	8	29	30
Average GS grade and salary	7.7 $5,883	7.8 $6,502	7.9 $6,604
01 Personal services:			
Permanent positions	$34,970	$128,800	$132,000
Positions other than permanent	5,890	19,300	22,000
Other personal services	942	1,400	2,000
Total personal services	41,802	149,500	156,000
02 Travel	1,516	3,000	3,000
03 Transportation of things	113	200	200
04 Communication services	61	100	75
05 Rents and utility services	1,553	6,600	7,000
07 Other contractual services	19,385	48,000	50,000
08 Supplies and materials	13,941	15,000	18,000
09 Equipment	13		
10 Lands and structures	59,616	34,207	
11 Grants, subsidies, and contributions	2,656	8,400	8,600
15 Taxes and assessments		400	400
Subtotal	140,656	265,407	243,275
Deduct portion of foregoing obligations originally charged to object class 10			58,275
Total, Bureau of Public Roads	140,656	265,407	185,000
Total obligations	445,370	610,000	610,000

BUREAU OF INDIAN AFFAIRS

INDIAN MONEYS, PROCEEDS OF LABOR, AGENCIES, SCHOOLS, ETC.

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Support of schools	$644,231	$900,000	$900,000
2. Support of agency functions	2,540,601	2,740,856	2,450,612
3. Property or services transferred out without charge, net	383,751	400,000	375,000
Total program costs, funded	3,568,583	4,040,856	3,725,612
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−17,980		
Total program (obligations)	3,550,603	4,040,856	3,725,612
Financing:			
Unobligated balance brought forward	1,281,090	1,216,845	1,065,989
Receipts	3,486,358	3,890,000	3,800,000
Unobligated balance carried forward	−1,216,845	−1,065,989	−1,140,377
Total financing	3,550,603	4,040,856	3,725,612

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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. *Property or services transferred out without charge, net.*—Represents costs of materials and services transferred from this appropriation in support of other Bureau programs.

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$118,503	$93,819	$93,819	$93,819
Unpaid undelivered orders (balances obligated for goods and services on order not yet received)	154,857	175,985	175,985	175,985
Advances (payments for goods and services on order not yet received)	705	481	481	481
Work in process (goods and services to be costed to activities when completed)	16,254	2,054	2,054	2,054
Total selected resources at end of year	290,319	272,339	272,339	272,339
Selected resources at start of year (−)		−290,319	−272,339	−272,339
Costs financed from obligations of other years, net (−)		−17,980		

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		317		275		248
Full-time equivalent of all other positions		74		62		62
Average number of all employees		346		314		289
Number of employees at end of year		332		300		310
Average GS grade and salary		4.2	$3,792	3.9	$4,120	3.8	$4,112
Average salary of ungraded positions			$4,169		$4,187		$4,195
01	Personal services:						
	Permanent positions		$1,119,819		$1,058,574		$954,614
	Positions other than permanent		333,246		281,227		288,189
	Other personal services		114,782		119,816		121,557
	Total personal services		1,567,847		1,459,617		1,364,360
02	Travel		21,881		39,240		33,590
03	Transportation of things		150,997		358,484		370,303
04	Communication services		95,481		235,274		233,244
05	Rents and utility services		243,972		374,320		361,330
06	Printing and reproduction		7,061		4,675		2,605
07	Other contractual services		372,743		349,423		344,286
08	Supplies and materials		956,932		947,372		863,882
09	Equipment		80,147		82,226		84,086
10	Lands and structures		3,468		117,000		
11	Grants, subsidies, and contributions		62,292		78,237		75,790
13	Refunds, awards, and indemnities		6,806		3,185		600
15	Taxes and assessments		12,783		20,651		18,145
	Subtotal		3,582,410		4,069,704		3,752,221
	Deduct quarters and subsistence charges		31,807		28,848		26,609
	Total obligations		3,550,603		4,040,856		3,725,612

Indian Tribal Funds

Note.—The supporting detail of the above item is shown in the Department of the Interior chapter in part II, p 690.

BUREAU OF RECLAMATION

Reclamation Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. General investigations	$125,284	$186,777	$100,000
2. Construction and operation and maintenance:			
(*a*) Ventura project, California	4,537		
(*b*) Colorado-Big Thompson project, Colorado	38,171	4,530	
(*c*) Boise project, Idaho	701	3,500	4,178
(*d*) Michaud Flats project, Idaho	25	275	
(*e*) Palisades project, Idaho	41,358		
(*f*) Minidoka project, Idaho-Wyoming	1,164	3,000	3,000
(*g*) Middle Rio Grande project, New Mexico	$70,892	$79,171	$85,000
(*h*) Columbia Basin project, Washington	72,110	30,000	
(*i*) Yakima project, Washington	1,677	39,323	67,000
(*j*) Missouri River Basin	71,714	95,360	
(*k*) Soil and moisture conservation operations	8,700	20,000	20,000
(*l*) Other	12,101	12,344	5,000
3. Colorado River storage project and participating projects:			
(*a*) Glen Canyon unit, Arizona-Utah	1,335,000		
(*b*) Curecanti unit, Colorado	3,826		
4. Prior year advances returned	3,212	7,910	
Total program costs	1,790,472	482,190	284,178
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−3,101	−53,000
Obligations incurred for costs of other years, net	31,052		
Total program (obligations)	1,821,524	479,089	231,178
Financing:			
Unobligated balance brought forward	262,250	120,514	18,194
Receipts	1,679,788	376,769	213,500
Unobligated balance carried forward	−120,514	−18,194	−516
Total financing	1,821,524	479,089	231,178

On request of State and local governments, the Bureau of Reclamation makes investigations or adds construction features to its own projects, financed by funds advanced by the State or local government (43 U. S. C. 395, 396).

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

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Selected resources at end of year:				
Inventories and items on order: Unpaid undelivered orders (balances obligated for goods and services on order not yet received)	$20,512	$56,101	$53,000	
Service facilities (acquisition value of facilities less depreciation charged to project cost)	4,537			
Total selected resources at end of year	25,049	56,101	53,000	
Selected resources at start of year (−)		−25,049	−56,101	−$53,000
Costs financed from obligations of other years, net (−)			−3,101	−53,000
Obligations incurred for costs of other years, net		31,052		

Object Classification

		1958 actual		1959 estimate		1960 estimate
Total number of permanent positions		18		17		12
Full-time equivalent of all other positions						1
Average number of employees		23		19		13
Number of employees at end of year		17		16		11
Average GS grade and salary		7.2	$5,490	7.3	$6,140	7.4	$6,211
Average salary of ungraded positions			$4,941		$5,226		$5,237
01	Personal services:						
	Permanent positions		$127,226		$102,935		$65,052
	Positions other than permanent		394		1,156		3,156
	Other personal services		38		79		52
	Total personal services		127,658		104,170		68,260
02	Travel		4,218		3,225		2,615
03	Transportation of things		232		1,145		220
04	Communication services		142		90		40
05	Rents and utility services		84		55		20
06	Printing and reproduction		480		325		135
07	Other contractual services		85,165		91,464		34,873
	Services performed by "General investigations"		125,284		186,777		100,000
08	Supplies and materials		27,577		16,152		20,175
09	Equipment		248		160		70
10	Lands and structures		1,445,223		65,486		3,210
11	Grants, subsidies, and contributions		1,773		1,880		1,260
13	Refunds, awards, and indemnities		3,212		7,910		
15	Taxes and assessments		228		250		300
	Total obligations		1,821,524		479,089		231,178

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DEPARTMENT OF THE INTERIOR—Continued

GEOLOGICAL SURVEY

ADVANCES, AUTHORIZED SERVICES

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Surveys, investigations, and research (total obligations)	$1,341,510	$1,400,000	$1,400,000
Financing:			
Unobligated balance brought forward	438,359	440,902	440,902
Receipts	1,344,053	1,400,000	1,400,000
Unobligated balance carried forward	−440,902	−440,902	−440,902
Total financing	1,341,510	1,400,000	1,400,000

Approximately 35 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 as work is performed (43 U. S. C. 48).

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$1,341,510	$1,400,000	$1,400,000

BUREAU OF MINES

CONTRIBUTED FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Bituminous coal	$199,797	$240,000	$202,000
2. Petroleum, natural gas, and oil shale	195,228	309,000	304,000
3. Ferrous metals	174,508	170,000	170,000
4. Nonferrous metals	55,487	25,000	25,000
5. Nonmetallic minerals	1,499	1,000	
6. Inspections, investigations, and rescue work	144		
7. Control of fires in coal deposits	149,670	76,000	106,000
Total program costs	776,333	821,000	807,000
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−39,759		
Total program (obligations)	736,574	821,000	807,000
Financing:			
Unobligated balance brought forward	303,412	280,655	309,655
Receipts	713,817	850,000	800,000
Unobligated balance carried forward	−280,655	−309,655	−302,655
Total financing	736,574	821,000	807,000

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. The year-end balances of unpaid undelivered orders are as follows: 1957, $55,522; 1958, $15,763; 1959, $15,763; 1960, $15,763.

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	85	98	93
Full-time equivalent of all other positions	7	7	7
Average number of all employees	85	94	89

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Number of employees at end of year	90	94	94
Average GS grade and salary	7.9 $5,908	7.9 $6,561	7.9 $6,590
Average salary of ungraded positions	$4,766	$5,044	$5,145
01 Personal services:			
Permanent positions	$465,233	$538,000	$504,000
Positions other than permanent	29,420	30,000	30,000
Other personal services	5,129	6,000	8,000
Total personal services	499,782	574,000	542,000
02 Travel	16,878	32,000	30,000
03 Transportation of things	4,313	7,000	6,000
04 Communication services	685	2,000	2,000
05 Rents and utility services	2,276	4,000	4,000
06 Printing and reproduction	607	2,000	2,000
07 Other contractual services	124,942	98,000	122,000
08 Supplies and materials	34,800	57,000	55,000
09 Equipment	6,224	6,000	7,000
11 Grants, subsidies, and contributions	29,847	35,000	33,000
13 Refunds, awards, and indemnities	13,181	1,000	1,000
15 Taxes and assessments	3,039	3,000	3,000
Total obligations	736,574	821,000	807,000

NATIONAL PARK SERVICE

NATIONAL PARK SERVICE TRUST FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. National Park Service, donations	$599,373	$1,106,000	$341,050
2. National Park trust fund	4,002	5,000	5,000
3. Preservation, birthplace of Abraham Lincoln	234	1,000	250
Total obligations	603,609	1,112,000	346,300
Financing:			
Unobligated balance brought forward:			
Cash	991,212	769,104	214,201
U. S. securities (par)	82,925	83,925	83,925
Receipts:			
National Park Service, donations	373,637	550,000	250,000
National Park trust fund	7,279	5,512	5,512
Preservation, birthplace of Abraham Lincoln	1,585	1,585	1,585
Unobligated balance carried forward:			
Cash	−769,104	−214,201	−124,998
U. S. securities (par)	−83,925	−83,925	−83,925
Total financing	603,609	1,112,000	346,300

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 $373,637 were received from 20 contributors during 1958. It is estimated that $500,000 will be received from a private foundation during 1959 to be matched by Federal funds for the purpose of acquiring private in-holdings within the National Park system.

2. *National Park trust fund.*—The National Park Trust Fund Board 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 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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	8	6	2
Full-time equivalent of all other positions	9	22	7

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	16	27	9
Number of employees at end of year	12	20	4
Average GS grade and salary	7.6 $5,500	7.7 $6,118	7.6 $6,153
Average salary of ungraded positions	$4,303	$4,485	$4,507
01 Personal services:			
Permanent positions	$43,299	$35,801	$16,141
Positions other than permanent	44,413	89,706	29,425
Other personal services	1,713	1,956	1,938
Total personal services	89,425	127,463	47,504
02 Travel	22,071	21,780	7,967
03 Transportation of things	254	450	50
04 Communication services	1,724	425	425
05 Rents and utility services	1,465	2,065	1,325
06 Printing and reproduction	7,498	8,285	7,125
07 Other contractual services	21,770	91,892	49,925
08 Supplies and materials	10,923	33,258	10,038
09 Equipment	11,219	17,175	5,275
10 Lands and structures	433,103	805,285	214,384
11 Grants, subsidies, and contributions	3,647	2,757	2,032
15 Taxes and assessments	510	1,165	250
Total obligations	603,609	1,112,000	346,300

FISH AND WILDLIFE SERVICE

Bureau of Sport Fisheries and Wildlife

CONTRIBUTED FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Cooperative studies (total obligations)	$135,792	$56,655	$50,000
Financing:			
Unobligated balance brought forward	72,438	6,655	
Receipts	45,590	50,000	50,000
Reimbursements from non-Federal sources (16 U. S. C. 661 et seq.)	24,419		
Unobligated balance carried forward	−6,655		
Total financing	135,792	56,655	50,000

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	11	8	6
Full-time equivalent of all other positions	1	1	
Average number of all employees	11	9	6
Number of employees at end of year	9	8	6
Average GS grade and salary	7.2 $5,246	7.6 $5,966	7.6 $6,023
Average salary of ungraded positions	$4,121	$4,095	$4,151
01 Personal services:			
Permanent positions	$54,560	$42,400	$32,000
Positions other than permanent	3,409	3,500	1,000
Other personal services	224	300	500
Total personal services	58,193	46,200	33,500
02 Travel	7,498	2,400	1,500
03 Transportation of things	1,191		
04 Communication services	273	100	100
05 Rents and utility services	102	100	100
06 Printing and reproduction	3		
07 Other contractual services	52,124	2,400	3,400
08 Supplies and materials	14,290	3,105	9,800
11 Grants, subsidies, and contributions	1,884	2,200	1,500
15 Taxes and assessments	234	150	100
Total obligations	135,792	56,655	50,000

Bureau of Commercial Fisheries

CONTRIBUTED FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Cooperative studies	$48,929	$138,210	$84,500
2. Sea lamprey control program	770,971	749,775	750,000
Total obligations	819,900	887,985	834,500
Financing:			
Unobligated balance brought forward	40,610	59,185	
Receipts	838,475	828,800	834,500
Unobligated balance carried forward	−59,185		
Total financing	819,900	887,985	834,500

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

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	69	69	69
Full-time equivalent of all other positions	25	22	22
Average number of all employees	89	91	91
Number of employees at end of year	121	110	115
Average GS grade and salary	7.3 $5,183	7.5 $5,881	7.5 $5,935
01 Personal services:			
Permanent positions	$276,588	$347,700	$348,300
Positions other than permanent	101,432	89,400	89,200
Other personal services	12,966	13,300	14,500
Total personal services	390,986	450,400	452,000
02 Travel	54,721	62,000	60,500
03 Transportation of things	2,068	2,200	1,000
04 Communication services	5,845	6,000	5,000
05 Rents and utility services	33,899	35,000	34,000
06 Printing and reproduction	583	827	1,000
07 Other contractual services	51,387	60,200	56,000
08 Supplies and materials	154,770	170,558	142,500
09 Equipment	98,610	88,200	76,000
10 Lands and structures	10,542	12,000	6,000
11 Grants, subsidies, and contributions	12,514	21,000	21,200
13 Refunds, awards, and idemnities	250	300	
15 Taxes and assessments	4,089	5,000	5,000
Subtotal	820,264	913,685	860,200
Deduct quarters and subsistence charges	364	25,700	25,700
Total obligations	819,900	887,985	834,500

INSPECTION AND GRADING OF FISHERY PRODUCTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Inspection and grading of fishery products (total obligations)		$170,000	$170,000
Financing:			
Receipts		170,000	170,000

This represents contributions from individuals and firms participating in the Bureau's program for inspection and grading of fishery products (7 U. S. C. 1621–1627).

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DEPARTMENT OF THE INTERIOR—Continued

FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

INSPECTION AND GRADING OF FISHERY PRODUCTS—continued

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions		18	45
Full-time equivalent of all other positions		23	23
Number of employees at end of year		45	45
Average GS grade and salary		7.5 $5,881	7.5 $5,935
01 Personal services:			
Permanent positions		$111,600	$111,600
Other personal services		2,800	2,800
Total personal services		114,400	114,400
02 Travel		15,000	15,000
03 Transportation of things		500	500
04 Communication services		3,000	3,000
06 Printing and reproduction		2,500	2,500
07 Other contractual services		8,000	8,000
08 Supplies and materials		18,900	18,900
09 Equipment		300	300
11 Grants, subsidies, and contributions		7,400	7,400
Total obligations		170,000	170,000

DEPARTMENT OF JUSTICE

FEDERAL PRISON SYSTEM

COMMISSARY FUNDS, FEDERAL PRISONS (TRUST REVOLVING FUND)

Commissaries are operated for the inmates as an earned privilege. The profits received from the sale of candies, tobaccos, toiletries, etc., are used for general welfare and recreational items for the inmate. Sales for 1960 are estimated at $1,810,000. Adequate working capital is assured from retained earnings.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$94,709	$24,000	$19,000
Expense:			
Purchase of commodities for sale	1,457,814	1,435,000	1,451,000
Other expense	316,821	330,000	320,000
Total gross expenditures	1,869,344	1,789,000	1,790,000
Receipts from operations (funds provided):			
Sales and other income	1,784,881	1,800,000	1,810,000
Decrease in selected working capital	5,584		
Total receipts from operations	1,790,465	1,800,000	1,810,000
Trust expenditures	78,879	−11,000	−20,000

Revenue, Expense, and Retained Earnings

	1958 actual	1959 estimate	1960 estimate
Revenue	$1,784,881	$1,800,000	$1,810,000
Expense	1,752,841	1,769,000	1,775,000
Net income for the year	32,040	31,000	35,000
Retained earnings, beginning of year	601,265	633,305	664,305
Retained earnings, end of year	633,305	664,305	699,305

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$189,075	$200,075	$220,075
Accounts receivable, net	154,783	154,783	154,783
Commodities for sale	190,751	190,751	190,751
Structures and equipment, net	186,509	206,509	221,509
Total assets	721,118	752,118	787,118

Financial Condition—Continued

	1958 actual	1959 estimate	1960 estimate
Liabilities:			
Current	$87,813	$87,813	$87,813
Retained earnings	633,305	664,305	699,305

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	53	56	57
Average number of all employees	52	55	56
Number of employees at end of year	49	55	56
Average GS grade and salary	5.8 $5,000	6.0 $5,007	6.0 $5,104
01 Personal services:			
Permanent positions	$247,056	$275,520	$286,110
Other personal services	4,165	4,480	4,890
Total personal services	251,221	280,000	291,000
02 Travel	233	400	400
03 Transportation of things	1,479	2,000	2,000
04 Communication services	8,961	8,800	8,800
07 Other contractual services	14,912	14,500	14,500
08 Supplies and materials	1,469,908	1,437,000	1,432,000
09 Equipment	94,709	24,000	19,000
11 Grants, subsidies, and contributions	13,322	15,200	15,200
13 Refunds, awards, and indemnities	225	100	100
15 Taxes and assessments	6,336	5,600	5,600
16 Investments and loans	744	1,400	1,400
Total obligations	1,862,050	1,789,000	1,790,000

OFFICE OF ALIEN PROPERTY

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY

NOTE.—The supporting detail of the above item is shown in the Department of Justice chapter in part II, p. 765.

ALIEN PROPERTY FUND, WORLD WAR II (TRUST REVOLVING FUND)

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 1958 no transfers were made to the war claims fund, but a $5 million transfer is planned for 1959. This will raise the total transfer to $230 million. In 1958, $3.1 million in claims and settlements were paid and it is anticipated that $5.5 million will be paid in 1959 and $12 million in 1960. Interest in vested property is estimated to be $185.9 million at June 30, 1960, decreasing $2.7 million from 1959 and $18.3 million from 1958.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$18,930,681	$24,645,000	$20,660,000
Safekeeping property operations: Charges	11,997	36,000	36,000
Increase in selected working capital		68,841	80,000
Total gross expenditures	18,942,678	24,749,841	20,776,000
Receipts from operations (funds provided):			
Vested property operations: Credits	45,030,749	55,000,000	26,000,000
Safekeeping property operations: Credits	3,994	11,000	5,000
Decrease in selected working capital	152,630		
Total receipts from operations	45,187,373	55,011,000	26,005,000
Trust expenditures	−26,244,695	−30,261,159	−5,229,000

Changes in U. S. Interest in Vested Property

	1958 actual	1959 estimate	1960 estimate
Credits	$45,030,749	$55,000,000	$26,000,000
Charges:			
Claims paid	1,615,381	5,000,000	10,000,000
Payments under intercustodial agreements	1,447,772	500,000	2,000,000
Transfers to war claims fund		5,000,000	

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Changes in U. S. Interest in Vested Property—Continued

	1958 actual	1959 estimate	1960 estimate
Charges—Continued			
Transfers to Treasury under International Claims Settlement Act	$319,674	$1,000,000	$725,000
Other charges	15,547,854	13,145,000	7,935,000
Total cash charges	18,930,681	24,645,000	20,660,000
Net decrease in vested assets	10,036,479	46,000,000	8,000,000
Total charges	28,967,160	70,645,000	28,660,000
Net excess of charges (−) or credits	16,063,589	−15,645,000	−2,660,000
Balance at beginning of year	188,182,752	204,246,341	188,601,341
Balance at end of year	204,246,341	188,601,341	185,941,341

Financial Condition

Assets:			
Cash with Treasury	$145,333,216	$175,594,375	$180,823,375
Accounts receivable	47,042	30,000	10,000
Vested assets (estimated values [1])	59,512,991	13,512,991	5,512,991
Safekeeping property (estimated values)	542,735	342,735	142,735
Deferred charges	1,717		
Total assets	205,437,701	189,480,101	186,489,101
Liabilities:			
Current	287,600	200,000	100,000
Liability for safekeeping property	903,760	678,760	447,760
Total liabilities	1,191,360	878,760	547,760
Equity of U. S. Government:			
Non-interest-bearing equity [2]	204,246,341	188,601,341	185,941,341

[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 (Trust Revolving Fund)

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 II properties (Executive Order 10254). During 1958 no transfers were made to the Philippine Government; it is anticipated that $1.2 million will be transferred in 1959 and $2.5 million in 1960. 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)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$35,765	$1,210,000	$3,030,000
Increase in selected working capital	16,078		
Total gross expenditures	51,843	1,210,000	3,030,000
Receipts from operations (funds provided):			
Vested property operations: Credits	39,232	65,000	56,000
Decrease in selected working capital		1,112,869	35,865
Total receipts from operations	39,232	1,177,869	91,865
Trust expenditures	12,611	32,131	2,938,135

Changes in U. S. Interest in Vested Property

Credits	$39,232	$65,000	$56,000
Charges:			
Transfers to Philippine Government		1,150,000	2,500,000
Other charges	35,765	60,000	530,000
Total cash charges	35,765	1,210,000	3,030,000

Changes in U. S. Interest in Vested Property—Continued

	1958 actual	1959 estimate	1960 estimate
Charges—Continued			
Net decrease in vested assets due to liquidation, returns to claimants, and transfers to Philippine Government		$25,000	$30,000
Total charges	$35,765	1,235,000	3,060,000
Net excess of charges (−) or credits	3,467	−1,170,000	−3,004,000
Balance at beginning of year	4,834,926	4,838,393	3,668,393
Balance at end of year	4,838,393	3,668,393	664,393

Financial Condition

Assets:			
Cash with Treasury	$3,282,131	$3,250,000	$311,865
Cash in banks and on hand (Philippine currency)	1,410,711	285,865	250,000
Vested assets [1]	157,528	132,528	102,528
Total assets	4,850,370	3,668,393	664,393
Liabilities:			
Current	11,977		
Equity of U. S. Government:			
Non-interest-bearing equity [2]	4,838,393	3,668,393	664,393

[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.

International Claims Settlement Act, Title II, Fund

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), has been vested in the name of the Attorney General like property seized from the governments and nationals of Germany and Japan. As of June 30, 1958, a total of $25.2 million has been vested and liquidated. Funds thus realized are earmarked for payment of war damages and nationalization claims assertable by United States nationals against Bulgaria, Hungary, and Rumania. A total of $21.6 million already has been covered into the United States Treasury.

Sources and Application of Funds (Operations)

	1958 actual	1959 estimate	1960 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$6,372,859	$2,620,000	$1,845,000
Increase in selected working capital		12,107	10,000
Total gross expenditures	6,372,859	2,632,107	1,855,000
Receipts from operations (funds provided):			
Vested property operations: Credits	681,344	1,205,000	300,000
Decrease in selected working capital	10,619		
Total receipts from operations	691,963	1,205,000	300,000
Trust expenditures	5,680,896	1,427,107	1,555,000

Changes in U. S. Interest in Vested Property

Credits:			
Cash credits	$681,344	$1,205,000	$300,000
Net increase in vested assets due to additional vestings	112,728		
Total credits	794,072	1,205,000	300,000
Charges:			
Transfers to claims funds	6,231,115	2,380,000	1,620,000
Other charges	141,744	240,000	225,000
Total cash charges	6,372,859	2,620,000	1,845,000
Net decrease in vested assets due to sales and liquidation		140,122	100,000
Total charges	6,372,859	2,760,122	1,945,000
Net excess of charges (−)	−5,578,787	−1,555,122	−1,645,000
Balance at beginning of year	9,427,980	3,849,193	2,294,071
Balance at end of year	3,849,193	2,294,071	649,071

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DEPARTMENT OF JUSTICE—Continued

OFFICE OF ALIEN PROPERTY—Continued

International Claims Settlement Act, Title II, Fund—Con.

Financial Condition

	1958 actual	1959 estimate	1960 estimate
Assets:			
Cash with Treasury	$3,631,178	$2,204,071	$649,071
Vested assets [1]	240,122	100,000	
Total assets	3,871,300	2,304,071	649,071
Liabilities:			
Current	22,107	10,000	
Equity of U. S. Government:			
Non-interest-bearing equity [2]	3,849,193	2,294,071	649,071

[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

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration (total obligations)	$58,397	$40,000	$6,325
Financing:			
Advancements and reimbursements from other accounts	58,397	40,000	6,325

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	3	3	
Full-time equivalent of all other positions	5	3	1
Average number of all employees	5	3	1
Number of employees at end of year	5	1	0
Average GS grade and salary	8.3 $6,162	7.6 $5,775	7.6 $5,775
01 Personal services: Permanent positions	$51,146	$35,340	$5,000
02 Travel	749		
03 Transportation of things	7		
04 Communication services	111	75	
05 Rents and utility services	1,350	1,000	500
06 Printing and reproduction	64	60	
07 Other contractual services	338	300	
08 Supplies and materials	2,144	928	500
11 Grants, subsidies, and contributions	2,488	2,297	325
Total obligations	58,397	40,000	6,325

DEPARTMENT OF LABOR

BUREAU OF EMPLOYMENT SECURITY

Salaries and Expenses

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administrative expenses (total obligations)	$6,071,827		
Financing:			
Transfer from "Unemployment trust fund"	6,078,600		
Available for return to unappropriated receipts	−6,773		
Total financing	6,071,827		

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$6,071,827		

BUREAU OF EMPLOYEES' COMPENSATION

Bureau of Employees' Compensation Trust Funds

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended:			
(a) Payment of benefits	$19,553	$20,000	$20,000
(b) Administration of rehabilitation	46,271	51,500	51,500
2. Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia	2,834	5,000	5,000
Total obligations	68,658	76,500	76,500
Financing:			
Unobligated balance brought forward:			
Cash	36,365	6,550	7,850
U. S. securities (par)	882,125	882,125	842,125
Receipts:			
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended:			
Contributions	15,000	15,000	15,000
Interest	18,891	17,800	17,000
Workmen's Compensation Act within the District of Columbia:			
Contributions	2,000	2,000	2,000
Interest	2,952	3,000	3,000
Unobligated balance carried forward:			
Cash	−6,550	−7,850	−8,350
U. S. securities (par)	−882,125	−842,125	−802,125
Total financing	68,658	76,500	76,500

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 for fines and penalty payments. In 1958 receipts were $17,000 and interest was $21,843 (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, provision is made for the costs of necessary rehabilitation services not otherwise available to disabled longshoremen and harbor workers.

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$46,271	$51,500	$51,500
12 Pensions, annuities, and insurance claims	22,387	25,000	25,000
Total obligations	68,658	76,500	76,500

Advances and Reimbursements (Trust Fund)

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Administration of the District of Columbia Workmen's Compensation Act (total obligations)	$214,112	$243,600	$260,200
Financing:			
Advances and reimbursements from other accounts	215,100	243,600	260,200
Unobligated balance no longer available	−988		
Total financing	214,112	243,600	260,200

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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

	1958 actual	*1959 estimate*	*1960 estimate*
New injuries reported	25,223	27,000	27,000
Formal hearings	45	50	50
Informal conferences	1,121	1,200	1,200

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	40	40	43
Average number of all employees	37	39	42
Number of employees at end of year	36	38	41
Average GS grade and salary	5.3 $4,502	5.3 $5,010	5.3 $4,979
01 Personal services:			
Permanent positions	$167,737	$197,378	$210,936
Other personal services	16,767	15,287	16,164
Total personal services	184,504	212,665	227,100
02 Travel	361	400	800
04 Communication services	4,580	5,600	5,600
06 Printing and reproduction	504	800	800
07 Other contractual services	6,349	6,335	6,430
08 Supplies and materials	1,748	1,800	2,000
09 Equipment	5,172	3,000	3,400
11 Grants, subsidies, and contributions	10,723	12,830	13,970
15 Taxes and assessments	171	170	100
Total obligations	214,112	243,600	260,200

BUREAU OF LABOR STATISTICS

Special Statistical Work

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Bituminous mine supply price index	$6,000	$6,700	
2. Consumer expenditure tabulations	1,407	3,354	
3. Consumer price index for Milwaukee	10,645	10,533	
4. Department store inventory price index	20,023	22,000	$5,181
5. Survey of housing characteristics		4,797	
6. Survey of mathematicians in private industry		5,000	
7. Tabulations of data for gasoline and service stations		175	
8. Statistical training		5,280	
Total obligations	38,075	57,839	5,181
Financing:			
Unobligated balance brought forward	13,424	20,090	5,181
Receipts	40,875	42,930	
Recovery of prior year obligations	3,866		
Unobligated balance carried forward	−20,090	−5,181	
Total financing	38,075	57,839	5,181

Private organizations request and finance in advance special statistical studies. During 1959, the Bureau will collect and analyze store inventory prices for the American Retail Federation; maintain a consumer price index for the city of Milwaukee; maintain a bituminous mine supply price index for the National Coal Association; complete the planning phase of a survey of mathematicians employed in private industry for the Mathematical Association of America; and provide statistical training for a foreign trainee for the Institute of International Education (29 U. S. C. 9a, 9b).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Average number of all employees	7	9	1
Number of employees at end of year	15	7	1

Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
01 Personal services:			
Positions other than permanent	$28,914	$43,603	$4,173
Other personal services	130	145	
Total personal services	29,044	43,748	4,173
02 Travel	6,782	7,640	600
03 Transportation of things			
04 Communication services	250	289	50
05 Rents and utility services			
06 Printing and reproduction		50	
07 Other contractual services	83	394	12
08 Supplies and materials	375	681	75
11 Grants, subsidies, and contributions	1,478	4,992	271
15 Taxes and assessments	63	45	
Total obligations	38,075	57,839	5,181

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Foreign Service Retirement and Disability Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment to beneficiaries	$2,494,720	$2,787,000	$2,950,000
Refunds and gratuities	203,419	190,000	190,000
Total obligations (cash outgo)	2,698,139	2,977,000	3,140,000
Financing:			
Unobligated balance brought forward:			
Cash	140,904	186,475	82,475
U. S. securities (par)	22,387,000	24,252,000	26,188,000
Receipts (cash income):			
Employers' contribution	1,667,000	2,025,000	2,360,000
Interest on investments	945,103	1,023,000	1,105,000
Employees' contribution	1,996,607	1,761,000	1,830,000
Unobligated balance carried forward:			
Cash	−186,475	−82,475	−80,475
U. S. securities (par)	−24,252,000	−26,188,000	−28,345,000
Total financing	2,698,139	2,977,000	3,140,000

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 590 annuitants will be paid retirement benefits from this fund during 1960 compared with 539 at the end of 1958 and 565 at the end of 1959. Gratuities represent payments made to officers in classes 4, 5, 6, and 7 who are selected out of the Service.

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions (gratuities)		$50,000	$50,000
12 Pensions, annuities, and insurance claims	$2,494,720	2,787,000	2,950,000
13 Refunds, awards, and indemnities	203,419	140,000	140,000
Total obligations	2,698,139	2,977,000	3,140,000

Payment of Claims, Special Claims Commission, Under Art. 2 of Convention, Apr. 24, 1934, Between the United States and Mexico

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)	$16,547		
Financing:			
Unobligated balance brought forward	16,547		

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DEPARTMENT OF STATE—Continued

ADMINISTRATION OF FOREIGN AFFAIRS—Continued

FOREIGN SERVICE INSTITUTE UNCONDITIONAL GIFT FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Seminar on Africa (total obligations)	$58,667	$4,333	
Financing:			
Unobligated balance brought forward		4,333	
Receipts	63,000		
Unobligated balance carried forward	−4,333		
Total financing	58,667	4,333	

This fund was provided to the Foreign Service Institute by the Ford Foundation for holding a seminar on African affairs (22 U. S. C. 1046).

Object Classification

	1958 actual	1959 estimate	1960 estimate
02 Travel	$45,050		
07 Other contractual services	13,617	$4,333	
Total obligations	58,667	4,333	

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, payment of claims of former German prisoners of war

Program and Financing—Without Purchase

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)	$4,205	$10,000	$10,000
Financing:			
Unobligated balance brought forward	32,130	27,925	17,925
Unobligated balance carried forward	−27,925	−17,925	−7,925
Total financing	4,205	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

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$4,205	$10,000	$10,000
Analysis of Expenditures			
Obligations incurred	$4,205	$10,000	$10,000
Expenditures	4,205	10,000	10,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Contributions by the Government of Pakistan for construction of the United States chancery

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Construction costs (total obligations)	$62,567	$168,598	$47,572

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing:			
Unobligated balance brought forward		$68,535	
Receipts, foreign currency advanced from the Government of Pakistan	$131,102	100,000	$47,572
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents		63	
Unobligated balance carried forward	−68,535		
Total financing	62,567	168,598	47,572

The Government of Pakistan has agreed to contribute rupees for local labor toward the cost of constructing an American embassy office building at Karachi. The amount presently committed by the Government of Pakistan is equivalent to $278,737.

Object Classification

	1958 actual	1959 estimate	1960 estimate
10 Lands and structures	$62,567	$168,598	$47,572
Analysis of Expenditures			
Obligations incurred	$62,567	$168,598	$47,572
Expenditures	62,567	168,598	47,572

EDUCATIONAL EXCHANGE

EDUCATIONAL EXCHANGE TRUST FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Education of Iranian students in the United States		$5,268	
2. United States dollars advanced from foreign governments, United States educational exchange program	$538,180	276,462	$300,250
Total obligations	538,180	281,730	300,250
Financing:			
Unobligated balance brought forward	394,592	398,722	416,992
Receipts (United States dollars advanced from foreign governments)	521,292	300,000	200,000
Recovery of prior year obligations	21,018		
Unobligated balance carried forward	−398,722	−416,992	−316,742
Total financing	538,180	281,730	300,250

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

	1958 actual	1959 estimate	1960 estimate
DEPARTMENT OF STATE			
11 Grants, subsidies, and contributions		$5,268	
ALLOCATION ACCOUNTS			
Total number of permanent positions	60	28	26
Average number of all employees	56	25	29
Number of employees at end of year	60	24	28
Average GS grade and salary	7.2 $5,490	7.3 $6,140	7.4 $6,211

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION ACCOUNTS—continued			
01 Personal services:			
Permanent positions	$364,559	$188,413	$214,010
Other personal services	1,404	1,600	2,935
Total personal services	365,963	190,013	216,945
02 Travel	9,591	5,610	5,815
03 Transportation of things	2,184	820	1,190
04 Communication services	5,051	1,710	2,040
05 Rents and utility services	2,976	1,025	1,320
06 Printing and reproduction	17,050	6,140	6,935
07 Other contractual services	55,685	17,559	10,095
08 Supplies and materials	11,373	3,570	3,975
09 Equipment	8,815	3,070	3,620
11 Grants, subsidies, and contributions	59,492	46,945	48,315
Total allocation accounts	538,180	276,462	300,250
Total obligations	538,180	281,730	300,250
Obligations are distributed as follows:			
Department of State		$5,268	
Department of the Interior	$528,156	266,332	$295,000
Army	1,918	2,683	
Department of Agriculture	5,250	5,250	5,250
Department of Commerce	2,721	2,197	
Housing and Home Finance Agency	135		

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency advanced from foreign governments, United States Educational Exchange Program

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Returned to advancing government (total obligations)		$2,886	
Financing:			
Unobligated balance brought forward	$2,886	2,886	
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	

OTHER

INDEMNIFICATION FUNDS, FOREIGN GOVERNMENTS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of claims (total obligations)	$100,000		
Financing:			
Receipts (Government of Haiti)	100,000		

Moneys received by the Secretary of State from foreign governments and other sources to be held in trust in this account for citizens of the United States or others. The Secretary of State determines the amount due claimants and certifies same to the Secretary of the Treasury, who pays the claim (31 U. S. C. 547).

Receipts in 1958 from the Government of Haiti were pursuant to an agreement of February 5, 1958, between the United States and Haiti.

Object Classification

	1958 actual	1959 estimate	1960 estimate
13 Refunds, awards, and indemnities	$100,000		

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

FEDERAL DISABILITY INSURANCE TRUST FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Benefit payments	$168,419,534	$387,000,000	$485,000,000
2. Administration	12,399,459	21,319,849	23,941,018
3. Payments to railroad retirement account			6,000,000
4. Refunds of excess taxes collected		9,000,000	9,000,000
Total obligations	180,818,993	417,319,849	523,941,018
Financing:			
Unobligated balance brought forward:			
Cash	11,894,729	44,487,503	55,708,835
U. S. securities (par)	325,363,000	1,054,544,000	1,610,000,000
Gain from premium or discount on investments		−86,071	−81,000
Unappropriated receipts		27,388	
Receipts:			
Taxes	862,861,610	870,000,000	940,000,000
Deposits by States	63,541,704	65,000,000	67,000,000
Interest on investments	16,130,770	39,974,864	48,968,839
Payments from railroad retirement account		9,000,000	
Unobligated balance carried forward:			
Cash	−44,487,503	−55,708,835	−47,736,656
U. S. securities (par)	−1,054,544,000	−1,610,000,000	−2,150,000,000
Gain from premium or discount on investments	86,071	81,000	81,000
Unappropriated receipts	−27,388		
Total financing	180,818,993	417,319,849	523,941,018

1. *Benefit payments.*—The Social Security Act provides disability insurance benefits for certain disabled individuals and their dependents. 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 Department of Health, Education, and Welfare which is a proper charge to this fund. The amount shown herein for the administrative expenses includes interest on the unpaid charges and 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 (42 U. S. C. 401).

3. *Payments to railroad retirement account.*—Payments are made between this account and the Railroad Retirement Account so as to place these funds in the same position in which they would have been if railroad employment had been included under social-security coverage.

The status of the fund is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Investments in U. S. securities at beginning of year (par)	$325,363,000	$1,054,544,000	$1,610,000,000
Cash	11,894,729	44,487,503	55,708,835
Gain from premium or discount on investments		−86,071	−81,000
Unappropriated receipts		27,388	
Balance of fund at beginning of year	337,257,729	1,098,972,820	1,665,627,835

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TREASURY DEPARTMENT—Continued

OFFICE OF THE SECRETARY—Continued

FEDERAL DISABILITY INSURANCE TRUST FUND—Continued

	1958 actual	*1959 estimate*	*1960 estimate*
Cash income during year:			
From taxes	$862,861,610	$870,000,000	$940,000,000
Deposits by States	63,541,704	65,000,000	67,000,000
Interest on investments	16,130,770	39,974,864	48,968,839
Payments from railroad retirement account		9,000,000	
Total annual income	942,534,084	983,974,864	1,055,968,839
Cash outgo during year:			
For benefit payments	168,419,534	387,000,000	485,000,000
For administrative expenses	2,962,897	3,352,476	3,412,739
Refunds of excess taxes collected		9,000,000	9,000,000
Reimbursements of administrative costs to Federal old-age and survivors insurance trust fund	9,148,680	17,526,473	20,024,579
Payment of interest to OASI fund	287,882	440,900	503,700
Payments to railroad retirement account			6,000,000
Total annual outgo	180,818,993	417,319,849	523,941,018
Investments in United States securities at end of year (par)	1,054,544,000	1,610,000,000	2,150,000,000
Cash (unexpended balance)	44,487,503	55,708,835	47,736,656
Gain from premium or discount on investments	−86,071	−81,000	−81,000
Unappropriated receipts	27,388		
Balance of fund at end of year	1,098,972,820	1,665,627,835	2,197,655,656

Object Classification

	1958 actual	1959 estimate	1960 estimate
12 Pensions, annuities and insurance claims	$168,419,534	$387,000,000	$491,000,000
13 Refunds, awards, and indemnities		9,000,000	9,000,000
14 Interest	287,882	440,900	503,700
Reimbursement for administrative expenses paid from Federal old-age and survivor's insurance trust fund, Bureau of Old-Age and Survivor's Insurance	9,148,680	17,526,473	20,024,579
Unclassified: Payments to miscellaneous receipts as reimbursements for administrative expenses	2,962,897	3,352,476	3,412,739
Total obligations	180,818,993	417,319,849	523,941,018

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Benefit payments	$7,874,932,414	$9,060,000,000	$10,025,000,000
2. Construction	22,370,702	3,051,918	1,256,944
3. Administration	178,859,964	187,099,240	229,958,493
4. Refund of excess taxes collected	75,465,000	75,000,000	76,000,000
5. Payment to Railroad Retirement Account (net settlement)		338,441,000	269,000,000
Total obligations	8,151,628,080	9,663,592,158	10,601,215,437
Financing:			
Unobligated balance brought forward:			
Cash	757,694,903	1,014,018,649	810,648,048
U. S. securities (par)	22,262,664,250	21,764,964,250	20,760,000,000
Unamortized premium and interest purchased	653,537	−775,461	−765,000
Unappropriated receipts		219,109	
Receipts:			
Taxes	6,870,361,660	7,354,000,000	9,276,000,000
Deposits by States	472,088,771	550,000,000	660,000,000
Interest on investments	555,397,669	532,901,286	519,836,418
Interest payments by Railroad Retirement Account (45 U. S. C. 228E)	1,588,000		
Interest payment by Federal disability insurance trust fund	287,882	440,900	503,700
Sale of waste paper	169,275	180,000	175,000
Reimbursement from Federal disability insurance trust fund	9,148,680	17,526,473	20,024,579
Unobligated balance carried forward:			
Cash	−1,014,018,649	−810,648,048	−745,957,308
U. S. securities (par)	−21,764,964,250	−20,760,000,000	−20,700,000,000
Gain from premium or discount on investments	775,461	765,000	750,000
Unappropriated receipts	−219,109		
Total financing	8,151,628,080	9,663,592,158	10,601,215,437

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. These contributions were increased by one-half of 1% to a combined total paid by employer and employee of 4½% on January 1, 1959, and will be increased by another 1% January 1, 1960. An amount equal to the annual contributions 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. Any excess of income over outgo together with annual interest is invested in Government securities (42 U. S. C. 401).

Payments 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 security coverage (45 U. S. C. 228E).

The status of the fund is as follows:

	1958 actual	*1959 estimate*	*1960 estimate*
Investments in U. S. securities at beginning of year (par)	$22,262,664,250	$21,764,964,250	$20,760,000,000
Gain from premium or discount on investments	653,537	−775,461	−765,000
Cash (unexpended balance)	765,560,117	1,048,192,272	834,867,278
Unappropriated receipts		219,109	
Balance of fund at beginning of year	23,028,877,904	22,812,600,170	21,594,102,278
Cash income during year:			
From taxes	6,870,361,660	7,354,000,000	9,276,000,000
Deposits by States	472,088,771	550,000,000	660,000,000
Interest on investments	555,397,669	532,901,286	519,836,418
Interest payments by Railroad Retirement Board (45 U. S. C. 228E)	1,588,000		
Other	457,157	620,900	678,700
Total annual income	7,899,893,257	8,437,522,186	10,456,515,118
Cash outgo during year:			
For benefit payments	7,874,932,414	9,060,000,000	10,025,000,000
For administrative expenses, net [1]	173,335,560	185,840,551	215,593,493
Reimbursement from Federal disability insurance trust fund	−9,148,680	−17,526,473	−20,024,579
For construction and equipment of buildings [1]	1,586,697	14,265,000	11,980,000
Payment to Railroad Retirement Account (net settlement) (45 U. S. C. 228E)		338,441,000	269,000,000
Refund of excess taxes collected	75,465,000	75,000,000	76,000,000
Total annual outgo	8,116,170,991	9,656,020,078	10,577,548,914
Investments in U. S. securities at end of year (par)	21,764,964,250	20,760,000,000	20,700,000,000
Gain from premium or discount on investments	−775,461	−765,000	−750,000
Cash (unexpended balance)	1,048,192,272	834,867,278	773,818,482
Unappropriated receipts	219,109		
Balance of fund at end of year	22,812,600,170	21,594,102,278	21,473,068,482

[1] Excludes cash outgo of $20,000,000 in 1959 and $5,448,000 in 1960 resulting from "Proposed for later transmission" in 1959 as follows: "Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance," $23,106,000, and "Limitation on construction, Bureau of Old-Age and Survivors Insurance," $1,300,000. Also excludes $100,000 from $114,000 "Proposed for later transmission" in 1959 in two accounts in the "Office of the Secretary of Health, Education, and Welfare."

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services:			
Office of the Secretary of Health, Education, and Welfare	$267,000	$286,000	$318,000
Office of the general counsel, Office of the Secretary of Health, Education, and Welfare [2]	456,000	494,000	519,000
Office of field services, Office of the Secretary of Health, Education, and Welfare [2]	716,600	783,000	926,000
Office of the commissioner, Social Security Administration	240,000	268,500	276,000
12 Pensions, annuities, and insurance claims	7,874,932,414	9,398,441,000	10,294,000,000
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) [2]	144,449,048	149,818,689	191,600,000

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
Construction of building (see Department of Health, Education, and Welfare chapter in pt. II) [2]	$22,370,702	$3,051,918	$1,256,944
Unclassified:			
Payments to miscellaneous receipts as reimbursements for administrative expenses	32,731,316	35,449,051	36,319,493
Payment to general fund for refunding internal revenue collections	75,465,000	75,000,000	76,000,000
Total obligations	8,151,628,080	9,663,592,158	10,601,215,437

[2] Excludes obligations under "Proposed for later transmission," as shown in footnote 1, p. 922.

Pershing Hall Memorial Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Payment of fund earning (total obligations)	$4,978	$4,978	$4,978
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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$4,978	$4,978	$4,978

Unemployment Trust Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Withdrawals by States	$2,926,370,426	$2,750,000,000	$2,375,000,000
2. Withdrawals by Railroad Retirement Board	221,588,333	204,292,000	136,478,000
Total obligations (cash outgo)	3,147,958,759	2,954,292,000	2,511,478,000
Financing:			
Unobligated balance brought forward:			
Cash	82,257,291	44,826,433	15,528,498
U. S. securities (par)	8,974,894,000	7,719,944,000	6,700,000,000
Unamortized premium and interest purchased	773,053	657,562	607,497
Receipts (cash income) from—			
Deposits by States	1,500,685,658	1,600,000,000	1,700,000,000
Interest on investments	230,881,230	205,000,000	202,000,000
Deposits by Railroad Retirement Board	90,442,040	100,000,000	110,000,000
General fund "Payment to unemployment trust fund," Treasury Department	39,532,082		5,612,000
Less transfer of receipts to Department of Labor	6,078,600		
Unobligated balance carried forward:			
Cash	−44,826,433	−15,528,498	−21,619,995
U. S. securities (par)	−7,719,944,000	−6,700,000,000	−6,200,000,000
Unamortized premium and interest purchased	−657,562	−607,497	−650,000
Total financing	3,147,958,759	2,954,292,000	2,511,478,000

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.

The June 30, 1958, balance of $7,765,427,995 is distributed as follows:

State unemployment trust accounts	$7,353,729,497
Railroad unemployment insurance account	170,132,197
Federal unemployment account	202,034,219
Undistributed (for later credit to the State and Federal accounts)	39,532,082
Total	7,765,427,995

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. In 1958, the major part of the administrative expenses of the Bureau of Employment Security, Department of Labor, were paid from this account. The Federal unemployment account's financial activity for 1958 showed:

Balance brought forward, July 1, 1957	$205,380,247
Outgo: Loans	−2,635,000
Administrative expenses, Bureau of Employment Security	−6,078,600
Income: Interest	5,367,572
Balance carried forward, June 30, 1958	202,034,219

Object Classification

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions: Railroad retirement benefit payments	$221,588,333	$204,292,000	$136,478,000
13 Refunds, awards, and indemnities: Payments to States	2,926,370,426	2,750,000,000	2,375,000,000
Total obligations	3,147,958,759	2,954,292,000	2,511,478,000

BUREAU OF ACCOUNTS

Bureau of Accounts Trust Funds

Note.—The following schedule includes unobligated balances for "Matured obligations of the District of Columbia" and "To promote the education of the blind (principal account)."

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Bulgarian claims fund	$105,629	$186,000	$2,596,309
2. Hungarian claims fund		3,339,655	650,000
3. Italian claims fund	231,764	460,478	4,056,000
4. Rumanian claims fund	140,342	599,202	25,354,097
5. Soviet claims fund	665,613	1,014,851	6,075,448
6. Yugoslav claims fund	1,756,276		
7. Losses in melting gold	129	1,000	1,000
8. National defense conditional gift fund	12,015	37,000	
9. Payment of pre-1934 bonds of the Government of the Philippines	1,035,809	165,940	3,208,970
10. Payment of unclaimed moneys	43,301	100,000	100,000
11. Unclaimed moneys of individuals whose whereabouts are known	1,200		
Total obligations	3,992,078	5,904,126	42,041,824
Financing:			
Unobligated balance brought forward:			
Cash	29,825,486	32,255,001	34,127,675
Unappropriated receipts:			
Losses in melting gold	144,696,161	144,704,217	9,092,220
Payment of unclaimed moneys	13,650,428	13,964,458	14,214,458
U. S. securities (par)	5,481,350	5,166,300	5,070,500

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TREASURY DEPARTMENT—Continued

BUREAU OF ACCOUNTS—Continued

BUREAU OF ACCOUNTS TRUST FUNDS—Continued

Program and Financing—Continued

	1958 actual	1959 estimate	1960 estimate
Financing—Continued			
Receipts:			
Bulgarian claims fund	$2,120,985	$500,000	$255,000
Hungarian claims fund	277,174	3,000,000	650,000
Rumanian claims fund	3,518,942	4,000,000	3,980,000
Losses in melting gold	8,185	5,000	5,000
National defense conditional gift fund	14,402		
Payment of pre-1934 bonds of the Government of the Philippines	127,290	80,000	80,000
Payment of unclaimed moneys	357,331	350,000	350,000
Unclaimed moneys of individuals whose whereabouts are known	4,320		
Adjustment of unappropriated receipts		−135,615,997	
Unobligated balance carried forward:			
Cash	−32,255,001	−34,127,675	−292,321
Unappropriated receipts:			
Losses in melting gold	−144,704,217	−9,092,220	−9,096,220
Payment of unclaimed moneys	−13,964,458	−14,214,458	−14,464,458
U. S. securities (par)	−5,166,300	−5,070,500	−1,930,030
Total financing	3,992,078	5,904,126	42,041,824

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 on Yugoslav claims are expected to be made in 1959 (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 gift fund.*—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 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 $4,020,850 (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, 1958, there was a balance of $8,176 in the fund.

To promote the education of the blind.—The $250,000 uninvested credit on the books of the Treasury is an unexpendable endowment fund established to promote 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

	1958 actual	1959 estimate	1960 estimate
11 Grants, subsidies, and contributions	$12,015	$37,000	
13 Refunds, awards, and indemnities	2,944,254	5,701,186	$38,832,854
14 Interest	208,809	140,940	101,970
Retirement of bonds	827,000	25,000	3,107,000
Total obligations	3,992,078	5,904,126	42,041,824

BUREAU OF CUSTOMS

BUREAU OF CUSTOMS TRUST FUNDS

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
1. Refunds, transfers, and expenses of operations, Virgin Islands	$439,744	$425,000	$450,000
2. Refunds, transfers, and expenses of operations, Puerto Rico	7,021,827	7,600,000	7,900,000
3. Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods	231,793	325,000	325,000
Total obligations	7,693,364	8,350,000	8,675,000
Financing:			
Unobligated balance brought forward	615,627	974,425	974,425
Receipts:			
Customs duties, taxes, and fees collected in the Virgin Islands	412,453	425,000	450,000
Customs duties, taxes, and fees collected in Puerto Rico	7,311,527	7,600,000	7,900,000
Sale of abandoned and seized merchandise	328,182	325,000	325,000
Unobligated balance carried forward	−974,425	−974,425	−974,425
Total financing	7,693,364	8,350,000	8,675,000

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

	1958 actual	1959 estimate	1960 estimate
BUREAU OF CUSTOMS			
Total number of permanent positions	245	245	245
Full-time equivalent of all other positions	1	1	1
Average number of all employees	236	239	239
Number of employees at end of year	241	241	241
Average GS grade and salary	6.9 $5,015	6.9 $5,645	6.9 $5,744
01 Personal services:			
Permanent positions	$1,146,259	$1,221,600	$1,231,500
Positions other than permanent	2,257	2,500	2,500
Other personal services	230,387	243,166	249,650
Total personal services	1,378,903	1,467,266	1,483,650
02 Travel	16,392	16,500	16,500
03 Transportation of things	12,192	12,200	12,200
04 Communication services	12,662	12,700	12,700
05 Rents and utility services	6,270	6,300	6,300
06 Printing and reproduction	97	100	100
07 Other contractual services	243,541	337,000	337,000
08 Supplies and materials	17,337	17,300	17,300
09 Equipment	27,204	23,000	23,000
11 Grants, subsidies, and contributions	69,984	77,500	78,500
Payments to treasury of municipalities of Virgin Islands	295,000	276,500	300,000
Payments to treasurer of Puerto Rico	5,475,000	5,817,600	6,252,000
13 Refunds, awards, and indemnities:			
Refunds and drawbacks	133,231	135,000	135,000
15 Taxes and assessments	730	750	750
Total, Bureau of Customs	7,688,543	8,199,716	8,675,000

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Object Classification—Continued

	1958 actual	1959 estimate	1960 estimate
ALLOCATION TO CORPS OF ENGINEERS, ARMY			
Total number of permanent positions	1	1	
Average number of all employees	1	1	
Number of employees at end of year	0	1	
Average GS grade and salary	9.0 $5,575	9.0 $6,285	
01 Personal services:			
Permanent positions	$4,077	$6,285	
Other personal services	16	24	
Total personal services	4,093	6,309	
02 Travel	245	300	
07 Other contractual services	228	143,267	
11 Grants, subsidies, and contributions	255	408	
Total, Corps of Engineers, Army	4,821	150,284	
Total obligations	7,693,364	8,350,000	$8,675,000

INTERNAL REVENUE SERVICE

Expenses, Treasury Department, Enforcement Title III, National Prohibition Act, as Amended, Puerto Rico and Virgin Islands

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Enforcement of prohibition laws in Puerto Rico and Virgin Islands (total obligations)	$123,528	$131,820	$133,668
Financing:			
Unobligated balance brought forward	35,817	44,195	22,432
Receipts (sale of goods and services)	131,906	110,057	126,236
Unobligated balance carried forward	−44,195	−22,432	−15,000
Total financing	123,528	131,820	133,668

Advances are made by the insular government of Puerto Rico to pay expenses incurred on that island in connection with the enforcement of internal revenue laws relating to industrial alcohol. There are no industrial alcohol plants operating in the Virgin Islands (26 U. S. C. 3123; 31 U. S. C. 725 (s)).

Object Classification

	1958 actual	1959 estimate	1960 estimate
Total number of permanent positions	16	16	16
Average number of all employees	16	16	16
Number of employees at end of year	16	16	16
Average GS grade and salary	7.7 $5,886	7.7 $6,234	7.7 $6,307
01 Personal services:			
Permanent positions	$93,825	$99,739	$100,920
Other personal services	16,776	17,906	18,573
Total personal services	110,601	117,645	119,493
02 Travel	706	1,000	1,000
03 Transportation of things	511	550	550
04 Communication services	485	500	500
05 Rents and utility services	17	25	25
06 Printing and reproduction	18		
07 Other contractual services	1,461	1,500	1,500
08 Supplies and materials	1,167	1,200	1,200
09 Equipment	2,622	2,900	2,900
11 Grants, subsidies, and contributions	5,900	6,500	6,500
13 Refunds, awards, and indemnities	40		
Total obligations	123,528	131,820	133,668

COAST GUARD

General Gift Fund

Program and Financing

	1958 actual	1959 estimate	1960 estimate
Program by activities:			
Training facilities (total costs—obligations)	$8,998	$11,050	$8,550
Financing:			
Unobligated balance brought forward	10,550	6,344	
Receipts	4,792	4,706	8,550
Unobligated balance carried forward	−6,344		
Total financing	8,998	11,050	8,550

This trust fund, maintained from gifts and bequests, is used for purposes as specified by the donor in connection with the Coast Guard training program (5 U. S. C. 150q–t).

Object Classification

	1958 actual	1959 estimate	1960 estimate
07 Other contractual services	$6,628	$5,050	$3,900
08 Supplies and materials	2,370	3,000	3,000
09 Equipment		2,200	1,650
13 Refunds, awards, and indemnities		800	
Total obligations	8,998	11,050	8,550

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PART IV

SPECIAL ANALYSES

Special Analysis A. Federal Government Receipts From and Payments to the Public
Special Analysis B. Analysis of 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. Federal Hospital and Medical Care Programs
Special Analysis K. Selected Investments and Interfund Transactions
Special Analysis L. Historical Comparison of Budget Receipts and Expenditures by Function

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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 1960 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 classification 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 credit 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.

Special analysis J presents a broad picture of the scope and responsibilities of the directly operated Federal medical, hospital, and domiciliary programs, and of supplemental care of Federal legal beneficiaries through contractual arrangements. It provides information on each agency program in detail, and includes data for clinical research, construction, and in-hospital training and for related Federal grant programs.

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

Special analysis K 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 L 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 1959 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

The consolidated budget, trust fund, and other transactions of the Federal Government are estimated to show a balance in 1960, after 2 years in which payments to the public exceeded receipts from the public. (For a detailed description of the coverage, use, and limitations of this concept of Federal income and outgo, see pp. 931–932 of this analysis.)

Federal receipts from the public are estimated to exceed payments to the public by $0.6 billion, compared with an estimated excess of payments of $13.2 billion in 1959. Receipts are expected to rise to $93.5 billion, $11.9 billion higher than in the current fiscal year. Payments are estimated at $92.9 billion, a decrease of $2.0 billion from 1959.

The marked change from a large excess of cash payments to the public in 1959 to an excess of cash receipts from the public in 1960 reflects the economic recovery now in process. The improved budget outlook accounts for most of the change; another factor is the shift of the trust funds from an estimated total excess of expenditures over receipts of $1.3 billion in 1959 to a net accumulation of $0.2 billion in 1960. (For trust fund receipts and expenditures, refer to Trust Funds, part III of this document, especially pp. 879–886.)

FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC BY MAJOR SOURCE AND PAYMENTS TO THE PUBLIC BY MAJOR FUNCTION

EXCLUDES 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 actual	1959 estimate	1960 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	$34,724	$36,900	$40,700
Corporation income taxes	9,678	11,195	10,448	14,106	21,225	21,238	21,101	17,861	20,880	21,167	20,074	17,000	21,448
Excise taxes	7,356	7,502	7,549	8,648	8,851	9,868	9,945	9,131	9,929	10,534	10,728	10,597	11,851
Employment taxes	2,388	2,476	2,881	3,928	4,563	4,980	5,423	6,217	7,294	7,578	8,641	9,112	11,131
Estate and gift taxes	890	780	698	708	818	881	934	924	1,161	1,365	1,393	1,365	1,415
Customs	403	367	407	609	533	596	542	585	682	735	782	840	900
Deposits by States, unemployment insurance	1,007	985	1,098	1,363	1,439	1,371	1,246	1,146	1,330	1,542	1,501	1,600	1,700
Veterans' life insurance premiums	434	431	440	520	473	428	426	441	441	452	485	491	498
Other budget and trust receipts	3,895	2,293	1,673	1,865	2,197	2,028	2,469	2,784	3,184	3,116	3,566	3,746	3,858
Total Federal receipts from the public	**45,357**	**41,576**	**40,940**	**53,390**	**68,013**	**71,499**	**71,627**	**67,836**	**77,088**	**82,107**	**81,893**	**81,651**	**93,502**
FEDERAL PAYMENTS TO THE PUBLIC													
Major national security	12,998	13,093	13,155	22,639	44,186	50,507	47,056	40,782	40,771	43,345	44,460	46,450	45,914
International affairs and finance	5,542	6,213	4,539	3,703	2,915	2,175	1,594	2,006	1,649	2,629	2,668	2,510	2,099
Veterans' services and benefits	6,904	7,054	9,299	5,994	5,755	4,883	4,962	5,057	5,283	5,382	5,682	5,856	5,742
Labor and welfare	3,149	3,993	5,275	5,068	5,915	6,920	8,442	9,890	10,608	12,494	16,140	18,497	19,056
Agriculture and agricultural resources	531	2,532	2,848	628	1,129	2,949	2,596	4,403	4,983	4,603	4,321	7,024	5,875
Natural resources	755	1,062	1,220	1,279	1,377	1,487	1,330	1,217	1,123	1,324	1,570	1,741	1,735
Commerce and housing	449	1,407	1,795	2,346	2,148	2,327	219	1,449	2,186	3,138	2,996	6,656	5,579
General government	1,385	1,033	1,056	1,228	1,345	1,361	1,471	1,397	1,576	1,493	1,620	1,974	2,082
Interest [1]	3,909	3,977	4,316	4,134	4,134	4,711	4,620	4,664	5,115	5,265	5,883	5,636	6,250
Deposit funds, net [2]	73	463	77	−544	−160	−471	−115	57	229	225	−97	29	2
Allowance for contingencies												200	100
Expenditures by agencies, as employers, for Federal employees' retirement (−) [3]											−586	−749	−723
Deduction from Federal employees' salaries for retirement (−)	−236	−327	−358	−378	−411	−420	−430	−439	−574	−644	−666	−748	−723
Increase (−) or decrease in clearing account for outstanding checks, etc.[4]	507	−366	−483	214	401	250	115	55	−335	753	−579	−177	−112
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**	**80,008**	**83,413**	**94,899**	**92,875**
Excess of Federal payments to (−) or receipts from the public	**8,864**	**1,006**	**−2,207**	**7,593**	**49**	**−5,274**	**−232**	**−2,702**	**4,471**	**2,099**	**−1,520**	**−13,248**	**626**

[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 by major function.

[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 are included in the applicable functional category, but the total is deducted from payments in a lump sum.

[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

Federal receipts from the public by major source and payments to the public by major function: 1948–60.—From 1948 to 1960, total Federal receipts from and payments to the public will have increased at a faster rate than budget receipts and expenditures, reflecting both the larger size of existing trust fund programs (particularly old age and survivors insurance) and the creation of new trust funds, such as those for highways and for the secondary market operations of the Federal National Mortgage Association. Both receipts from and payments to the public in 1960 will be more than double the amounts in each of the years 1948, 1949, and 1950.

The largest increases in receipts from the public since 1948 are from income taxes. Individual income tax receipts will have risen by $21.4 billion and corporate income tax receipts by $11.8 billion since 1948, both more than doubling. Employment tax receipts are estimated to increase $8.7 billion over 1948 and reach $11.1 billion in 1960, over 4½ times the 1948 level. This increase reflects (1) rate and base increases in employment taxes, (2) the wider extension of social security coverage, and (3) generally higher incomes.

With two exceptions, payments for every function of the Federal Government will be higher in 1960 than in 1948. The exceptions are international affairs and finance, and veterans services and benefits, for which high expenditures in 1948 reflected special post World War II conditions. In absolute amounts, the largest increases since 1948 are $32.9 billion for major national security and $15.9 billion for labor and welfare. The largest relative changes are for commerce and housing and for agriculture and agricultural resources. Outlays for commerce (including highways) and housing in 1960 are estimated to be 12 times the 1948 total while payments for agriculture will have increased 11 times from the exceptionally low 1948 amount.

Comparison with the budget.—The excess of receipts from the public in 1960 differs from the budget surplus primarily because (1) budget expenditures for accrued interest on savings bonds exceed the interest paid out on redeemed bonds, and (2) trust fund receipts exceed trust fund expenditures. As in the budget, income taxes provide the largest portion of cash receipts from the public and cash payments to the public for major national security far exceed payments for any other function.

Federal receipts from and payments to the public exceed comparable budget totals for commerce and housing, primarily because of the highway-related gasoline and fuel taxes credited to, and the expenditures from, the highway trust fund. Similarly, receipts and payments for labor and welfare exceed budget totals substantially, because of the employment taxes and benefit payments of the social security trust funds. For interest, on the other hand, cash payments to the public are considerably smaller than budget outlays, primarily because a large amount, estimated to be $1.3 billion for 1960, is paid by the Treasury to trust funds on their holdings of public debt securities and does not go to the public directly.

FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC COMPARED WITH BUDGET RECEIPTS AND EXPENDITURES FOR 1960

[Estimates. In millions]

Description	Receipts from and payments to the public	Budget receipts and expenditures	Difference
Receipts:			
Individual income taxes	$40,700	$40,700	
Corporation income taxes	21,448	21,448	
Excise taxes	11,851	8,945	$2,906
Employment taxes	11,131	340	10,791
Estate and gift taxes	1,415	1,415	
Customs	900	900	
Other receipts	6,057	3,352	2,705
Total receipts	93,502	77,100	16,402
Payments:			
Major national security	45,914	45,805	109
International affairs and finance	2,099	2,129	−30
Veterans' services and benefits	5,742	5,088	654
Labor and welfare	19,056	4,129	14,927
Agriculture and agricultural resources	5,875	5,996	−121
Natural resources	1,735	1,710	26
Commerce and housing	5,579	2,243	3,336
General government	2,082	1,735	348
Interest	6,250	8,096	−1,846
Allowance for contingencies	100	100	
Undistributed	−1,556		−1,556
Total payments	92,875	77,030	15,846
Excess of receipts	626	70	556

Federal net cash borrowing from the public.—The amount of Federal net cash borrowing from the public (or net repayment of such borrowing) is affected primarily by the excess of payments to (or receipts from) the public, and also varies with changes made in the Treasury's cash balances. Receipts from the exercise of monetary authority (mostly seigniorage on silver), which are not included in cash receipts from the public, provide a relatively small additional amount of revenue that is available.

FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1958 actual	1959 estimate	1960 estimate
Excess of Federal payments to (−) or receipts from the public	−$1,520	−$13,248	$626
Receipts from exercise of monetary authority	59	60	60
Increase (−) or decrease in cash balances	−4,299	4,672	
Federal cash borrowing (−) or repayment of cash borrowing	−5,760	−8,516	686

The figures shown for net cash borrowing from the public include not only the change in Treasury issues of United States Government securities held by the public, but also the change in securities issued to the public by Government agencies and Government-sponsored enterprises. Changes in the public debt that do not represent direct cash borrowing or repayment of borrowing from the public are excluded. Major examples of such noncash debt transactions are the issuance of United States Government notes and securities to the International Monetary Fund and to the trust funds.

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Special Analysis A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

CHANGE IN PUBLIC DEBT RECONCILED WITH FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1958 actual	1959 estimate	1960 estimate
Increase (−) or decrease in public debt [1]	−$5,816	−$8,657	
Cashings of (−) or investments in United States securities, net:			
Trust funds [2]	105	−508	$810
Public enterprise funds	91	120	146
Government-sponsored enterprises	461	−139	268
Increase (−) or decrease in obligations of Government enterprises held by the public, net:			
Trust funds [2]	−340	−240	−485
Public enterprise funds	−227	−37	−71
Government-sponsored enterprises	167	−748	−380
Decrease (−) or increase in public debt from noncash adjustments, net [3]	−200	1,693	398
Federal cash borrowing (−) or repayment of cash borrowing	−5,760	−8,516	686

[1] From table 4 in part I of this document.
[2] Includes the Federal National Mortgage Association secondary market operations and (until Jan. 1, 1959) the Federal intermediate credit banks.
[3] Includes accrued interest and noncash adjustments other than the change in the clearing account.

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 fully 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 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 United States securities held by the trust fund; and (3) payments between trust funds, such as payments by the old-age and survivors insurance fund to the railroad retirement account.

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	1958 actual	1959 estimate	1960 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Budget receipts [1]	$69,117	$68,000	$77,100
Trust fund receipts [2]	16,329	17,585	20,477
Less—			
Intragovernmental transactions	3,493	3,874	4,015
Receipts from exercise of monetary authority	59	60	60
Equals: Federal receipts from the public	81,893	81,651	93,502
FEDERAL PAYMENTS TO THE PUBLIC			
Budget expenditures [1]	71,936	80,871	77,030
Trust fund expenditures [2]	16,069	18,884	20,259
Government-sponsored enterprise expenditures, net	−629	887	112
Less—			
Intragovernmental transactions	3,493	3,874	4,015
Accrued interest and other noncash expenditures, net	470	1,870	510
Equals: Federal payments to the public	83,413	94,899	92,875
Excess of Federal payments to (−) or receipts from the public	−1,520	−13,248	626

[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 from their security transactions. Both their net investment in United States securities and net redemption of their own obligations indicate net receipts from operations, while their net cashing of United States securities and net sales of their own obligations indicate net 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, the transactions of the Federal intermediate credit banks.

Budget expenditures, which are on a "checks-issued" basis, include some noncash transactions which are outstanding at the end of the year or are of an accrual nature. 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) United States securities sometimes issued in payment of obligations and their redemption for cash at a later date (an example is the portion of the additional United States subscription to the

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SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

International Monetary Fund scheduled for 1959 represented by United States Treasury notes which will be redeemed in later years), (2) interest currently accruing on savings bonds and the interest which is paid in cash as the bonds are redeemed, 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 data are more comprehensive than the budget data and have particular value 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 of the major Government programs in terms of total cash outlays. 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 receipts from operations which are deducted from new loans and other disbursements in measuring the net expenditures of the enterprises. Thus, for 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 data in this analysis should 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 well before the cash flows between the Federal Government and the public occur. Federal guaranties and insurance of private loans (summarized in special analysis E) may also affect activity in the economy, even though they normally entail only minor Government expenditures. Certain other contractual arrangements, such as the lease purchase of Government buildings, may have economic effects only partially measured by the Government payments made in any one 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.

RECONCILIATION OF FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC WITH TREASURY CASH DEPOSITS

[In millions]

Description	1958 actual	1959 estimate	1960 estimate
Federal receipts from the public	$81,893	$81,651	$93,502
Receipts from exercise of monetary authority	59	60	60
Net difference in actual year due to reporting method	141		
Equals: Treasury cash deposits	82,094	81,711	93,562

RECONCILIATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC WITH TREASURY CASH WITHDRAWALS

[In millions]

Description	1958 actual	1959 estimate	1960 estimate
Federal payments to the public	$83,413	$94,899	$92,875
Less—			
Payments to the public not reflected in accounts of the Treasurer of the United States (net):			
From cash held outside Treasury [1]	−140	323	
From proceeds of sales in the market of agency obligations and United States securities [2]	506		
Net difference in actual year due to reporting method	141		
Equals: Cash withdrawals from Treasury	83,188	94,577	92,875

[1] Represents increase (−) or decrease 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.

Receipts from exercise of monetary authority, since they affect the accounts of the Treasurer, are included in Treasury cash deposits. As indicated earlier, these receipts are omitted from Federal receipts from the public, since they do not represent cash received 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 method used to adjust for checks being cleared. Instead of adjusting receipts and payments separately, 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.

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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 estimates are based on the assumption that the expansion in economic activity which resumed in the second quarter of calendar year 1958 and was strongly evident in the third and fourth quarters will continue through the period underlying fiscal year 1960 receipts. It is also assumed for fiscal year 1960 that legislation will be enacted extending corporation income and certain excise tax rates at their present levels for a year beyond June 30, 1959, as recommended by the President.

Detailed estimates of budget receipts under both existing and proposed legislation are contained on pages 936 to 939.

BUDGET RECEIPTS

Budget receipts in the fiscal year 1960 are estimated to be $77.1 billion, an increase of $9.1 billion over the amount estimated for the fiscal year 1959 and $8.0 billion over actual receipts of the fiscal year 1958. Receipts in 1960 are thus estimated to attain a record level, exceeding the previous peak of $71.0 billion achieved in the fiscal year 1957.

RECEIPTS BY MAJOR SOURCES

Actual receipts for 1958 and estimated receipts for 1959 and 1960 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	1958 actual	1959 estimate	1960 estimate	Increase (+) or decrease (−), 1960 over 1959
Individual income taxes	$34,724	$36,900	$40,700	+$3,800
Corporation income taxes	20,074	17,000	21,448	+4,448
Excise taxes	8,612	8,467	8,945	+478
Employment taxes	333	328	340	+12
Estate and gift taxes	1,393	1,365	1,415	+50
Taxes not otherwise classified	6	9	9	
Customs	782	840	900	+60
Miscellaneous receipts	3,193	3,091	3,343	+252
Net budget receipts	69,117	68,000	77,100	+9,100

In the estimates for 1959 and 1960, the individual income tax continues to be, by far, the most important tax source. Revenues from individual income taxes are about double the corporation income tax; together, the two income taxes are estimated to account for more than 80% of receipts in 1960.

The corporation income tax, although producing substantially less revenue than the individual income tax, provides a larger share of the increase in receipts estimated for fiscal 1960. Receipts from the corporation income tax are estimated to be $4,448 million greater in 1960 than in 1959 and thus exceed the substantial rise of $3,800 million estimated for individual income tax receipts. Significant increases in receipts are also estimated for excise taxes and miscellaneous receipts, primarily a nontax source. Some increase is expected from all the major revenue sources in 1960.

The contribution of each tax source to the increase in net budget receipts in 1960 is substantially different when the comparison is made with the last actual year, 1958, instead of with the estimates for 1959. The individual income tax provides almost $6.0 billion of the total increase of $8.0 billion estimated for 1960 over actual receipts in 1958, the corporation income tax accounts for $1.4 billion, excise taxes for $0.3 billion, and miscellaneous receipts for $0.2 billion.

Estimated budget receipts for 1960 are $6.1 billion greater than the peak level of actual receipts reached in the fiscal year 1957. The estimated rise in receipts from the individual income tax accounts for $5.1 billion or 84% of the total increase. The increase in miscellaneous receipts of $0.6 billion is next most important. The rise in corporation income tax receipts is less than $300 million.

Individual income taxes.—Individual income tax receipts in 1958 fell $896 million from the level of the preceding year. Reflecting the rise in personal incomes which commenced in the second quarter of the calendar year 1958, receipts in the fiscal year 1959 are estimated to rise $2,176 million over the depressed 1958 level and to rise further by $3,800 million in fiscal 1960 to a total of $40,700 million. The 1-year increase of $3,800 million estimated for 1960 exceeds any year-to-year gain since 1952. But the 2-year rise of $5,976 million for 1959 and 1960 falls short of the $6,873 million reached in 1956 and 1957.

Corporation income taxes.—Receipts of corporation income taxes in each fiscal year are determined primarily by corporate profits of the calendar year ending in the fiscal year. Thus receipts in the fiscal year 1959 largely reflect calendar year 1958 profits, and receipts in the fiscal year 1960, calendar year 1959 profits. Corporate profits declined sharply in the fourth quarter of the calendar year 1957 and the first half of the calendar year 1958. Substantial gains have been reported in profits for the third quarter of 1958 and are indicated for the fourth quarter also, but it is expected that the average for the calendar year 1958 will be substantially below the calendar year 1957 average. As a result, corporation income tax receipts are estimated to decrease from $20,074 million in fiscal 1958 to $17,000 million in fiscal 1959.

It is estimated that profits in the calendar year 1959 will increase over second half 1958 profits and that the average for 1959 will be substantially greater than the calendar year 1958 average. Receipts in fiscal year 1960 are expected to recoup all of the decrease estimated for fiscal 1959 and to rise to $21,448 million, thus exceeding the 1959 estimate by $4,448 million and actual receipts in 1958 by $1,374 million.

The 1-year gain estimated for fiscal 1960 exceeds the increase for any actual year not affected by legislation. However, comparisons of fiscal years are obscured by variations in the collections data caused by such factors as the acceleration of payments in the 1951–55 period.

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SPECIAL ANALYSIS B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

In terms of the profits on which the taxes are levied, the rebound estimated to occur in calendar year 1959 as compared to 1958 will have been exceeded by the profit recoveries of both calendar years 1950 and 1955.

Excise taxes.—The yield of the excise taxes is shown in the following table:

Excise tax receipts

[In millions]

Source	1958 actual	1959 estimate	1960 estimate	Increase (+) or decrease (−), 1960 over 1959
Alcohol taxes	$2,946	$3,046	$3,119	+$73
Tobacco taxes	1,734	1,802	1,848	+46
Taxes on documents, other instruments, and playing cards	109	117	117	
Manufacturers' excise taxes	3,974	3,907	5,079	+1,172
Retailers' excise taxes	342	343	358	+15
Miscellaneous excise taxes	1,741	1,421	1,353	−68
Undistributed depositary receipts and unapplied collections	−33	51	67	+16
Gross excise taxes	10,814	10,687	11,941	+1,254
Deduct—				
Refunds of receipts	86	89	90	+1
Transfer to highway trust fund	2,116	2,130	2,906	+776
Net excise taxes	8,612	8,467	8,945	+478

Gross excise taxes, before transfers to the highway trust fund and before refunds, are estimated to amount to $10,687 million in fiscal year 1959, a decline of $127 million from actual receipts in 1958. The loss in receipts from the repeal of the taxes on transportation of property and oil by pipeline, $338 million, and from other legislation of less revenue importance is greater than the overall decline estimated for 1959.

In fiscal year 1960 gross excise taxes are estimated to increase by $1,254 million over fiscal year 1959, to a total of $11,941 million. A major part of this increase is due to the proposed increase in the taxes on gasoline and diesel fuel from 3 cents to 4½ cents per gallon effective July 1, 1959, almost all of which accrues to the highway trust fund and which therefore will not affect net budget receipts. Increased net budget receipts will result from the proposed new tax on jet fuel of 4½ cents per gallon effective July 1, 1959, and from the proposal to retain all revenues from the tax on aviation gasoline in the general fund.

A substantial increase in receipts in 1960 is attributable to the assumption that the increase in business activity which started in 1958 will continue throughout the period affecting 1960 receipts. Receipts from the tax on passenger automobiles are estimated to increase substantially in the fiscal year 1960 as automobile sales in the calendar years 1959 and 1960 are expected to surpass very appreciably the greatly reduced level of calendar year 1958. Moderate gains are expected in the revenue from the alcohol and tobacco tax groups and from telephone taxes. Increases, some of which are substantial on a relative basis, are estimated for virtually all taxes where revenues are not adversely affected by legislation. The full year effect of the repeal of the taxes on transportation of property and oil by pipeline, effective August 1, 1958, causes, in addition to the $338 million decline from 1958 to 1959, a further decline of $160 million in fiscal 1960. Other legislation is responsible for less important declines in revenue.

On a net basis after deductions for transfers to the highway trust fund and for refunds, net excise taxes are estimated to show a relatively small decline of $145 million in fiscal 1959, but then rise by $478 million to $8,945 million in fiscal year 1960.

Employment taxes.—The yield of the employment taxes is shown in the following table:

Employment tax receipts

[In millions]

Source	1958 actual	1959 estimate	1960 estimate	Increase (+) or decrease (−), 1960 over 1959
Federal Insurance Contributions Act and Self-Employment Contributions Act	$7,733	$8,224	$10,216	+$1,992
Railroad Retirement Tax Act	575	560	575	+15
Federal Unemployment Tax Act	336	332	344	+12
Gross employment taxes	8,644	9,116	11,135	+2,019
Deduct—				
Refunds of receipts	4	4	4	
Transfers to Federal old-age and survivors insurance trust fund	6,870	7,354	9,276	+1,922
Transfer to Federal disability insurance trust fund	863	870	940	+70
Transfer to railroad retirement account	575	560	575	+15
Net employment taxes	333	328	340	+12

Receipts from the Federal Insurance Contributions Act and the Self-Employment Contributions Act are estimated to increase by $491 million to $8,224 million in fiscal year 1959 partly because of an estimated increase in the level of taxable wages but principally because of the increase in the tax rate of ¼% each on employers and employees and the increase in the maximum amount taxable from $4,200 to $4,800 effective January 1, 1959. In fiscal 1960 an increase of $1,992 million is estimated as a result of higher income levels, the full-year effect of the January 1, 1959, changes in law, and the part-year effect of a further increase in the tax rate of ½% each on employers and employees effective January 1, 1960.

Small declines and recoveries in 1959 and 1960, respectively, are estimated for receipts from the Railroad Retirement Tax Act and the Federal Unemployment Tax Act.

Estate and gift taxes.—Receipts are expected to decline somewhat in 1959 and then to increase in 1960. Because of the length of time after date of death permitted in the filing of estate tax returns, receipts do not immediately reflect changes in security and other asset values.

Customs.—Customs receipts are estimated to increase in both 1959 and 1960 as taxable imports increase as a result of expanded business activity.

Miscellaneous receipts.—The increase of $252 million in miscellaneous receipts estimated for 1960 is attributable for the most part to larger collections of interest on loans and of dividends and other earnings. It includes amounts under proposed legislation to increase charges for Government services which provide special benefits to the recipients.

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Special Analysis B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

REFUNDS

The net budget receipts by source in the first table of this analysis are shown after deduction of transfers to trust funds and refunds of receipts. Details on the transfers to trust funds are shown in the preceding tables on excise and employment tax receipts. Refunds of receipts are summarized in the following table:

Refunds of receipts

[In millions]

Type	1958 actual	1959 estimate	1960 estimate	Increase (+) or decrease (−), 1960 over 1959
Individual income taxes	$3,845	$3,900	$4,300	+$400
Corporation income taxes	459	650	600	−50
Excise taxes	86	89	90	+1
Employment taxes	4	4	4	
Estate and gift taxes	18	15	15	
Taxes not otherwise classified	1	1	1	
Customs	18	18	18	
Miscellaneous receipts	2	3	2	−1
Total refunds	4,433	4,680	5,029	+349

Budget receipts by source before deduction of refunds of receipts and transfers to trust funds are shown below:

Budget receipts by source before deducting transfers to trust funds and refunds of receipts

[In millions]

Source	1958 actual	1959 estimate	1960 estimate	Increase (+) or decrease (−), 1960 over 1959
Individual income taxes	$38,569	$40,800	$45,000	+$4,200
Corporation income taxes	20,533	17,650	22,048	+4,398
Excise taxes	10,814	10,687	11,941	+1,254
Employment taxes	8,644	9,116	11,135	+2,019
Estate and gift taxes	1,411	1,380	1,430	+50
Taxes not otherwise classified	7	10	10	
Customs	800	858	918	+60
Miscellaneous receipts	3,196	3,094	3,345	+251
Subtotal	83,974	83,594	95,826	+12,232
Deduct—				
Transfers to trust funds	10,424	10,914	13,697	+2,783
Refunds of receipts	4,433	4,680	5,029	+349
Net budget receipts	69,117	68,000	77,100	+9,100

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Special Analysis B—Continued

BUDGET RECEIPTS

BY SOURCE

Based on existing and proposed legislation

[In thousands]

Source	1958 actual	1959 estimate	1960 estimate
Individual income taxes:			
Withheld	$27,040,911	$28,700,000	$31,900,000
Other	11,527,648	12,100,000	13,100,000
Gross individual income taxes	38,568,559	40,800,000	45,000,000
Less refunds	3,844,766	3,900,000	4,300,000
Net individual income taxes	34,723,792	36,900,000	40,700,000
Corporation income taxes:			
Under existing legislation	20,533,316	17,650,000	21,048,000
Under proposed legislation			1,000,000
Gross corporation income taxes under existing and proposed legislation	20,533,316	17,650,000	22,048,000
Less refunds	459,212	650,000	600,000
Net corporation income taxes under existing and proposed legislation	20,074,104	17,000,000	21,448,000
Excise taxes:			
Alcohol taxes:			
Under existing legislation:			
Distilled spirits (domestic and imported)	2,054,184	2,140,000	2,060,000
Beer	757,597	760,000	687,000
Rectification tax	22,103	23,000	23,000
Wines (domestic and imported)	90,303	92,000	86,000
Special taxes in connection with liquor occupations	22,274	31,000	22,000
Total alcohol taxes under existing legislation	2,946,461	3,046,000	2,878,000
Under proposed legislation			241,000
Total alcohol taxes under existing and proposed legislation	2,946,461	3,046,000	3,119,000
Tobacco taxes:			
Under existing legislation:			
Cigarettes (small)	1,668,201	1,735,000	1,575,000
Tobacco (chewing and smoking)	14,393	14,000	14,000
Cigars (large)	47,208	48,700	49,700
Snuff	3,468	3,500	3,500
Cigarette papers and tubes	700	700	700
All other	51	100	100
Total tobacco taxes under existing legislation	1,734,021	1,802,000	1,643,000
Under proposed legislation			205,000
Total tobacco taxes under existing and proposed legislation	1,734,021	1,802,000	1,848,000
Taxes on documents, other instruments, and playing cards:			
Issues of securities, stock, and bond transfers, and deeds of conveyance	102,141	109,500	109,500
Playing cards	7,286	7,400	7,400
Silver bullion sales or transfers	25	100	100
Total taxes on documents, other instruments, and playing cards	109,452	117,000	117,000
Manufacturers' excise taxes:			
Under existing legislation:			
Gasoline	1,636,629	1,689,000	1,735,000
Lubricating oils	69,996	72,000	74,000
Passenger automobiles	1,170,003	1,060,000	985,000
Automobile trucks, buses, and trailers	206,104	194,000	228,000
Parts and accessories for automobiles	166,720	165,000	120,000
Tires, inner tubes, and tread rubber	259,820	261,000	276,000
Electric, gas, and oil appliances	61,400	61,000	74,000
Electric light bulbs	24,936	27,000	29,000
Radio and television receiving sets, phonographs, phonograph records, and musical instruments	179,338	175,000	210,000
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units	39,379	34,000	41,000
Business and store machines	90,658	97,000	112,000
Photographic equipment	22,546	23,000	26,000
Matches	5,111	6,000	6,000
Sporting goods, including fishing rods, creels, etc	16,249	18,000	20,000
Firearms, shells, and cartridges	14,617	14,000	15,000

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Special Analysis B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Source	1958 actual	1959 estimate	1960 estimate
Excise taxes—Continued			
Manufacturers' excise taxes—Continued			
Under existing legislation—Continued			
Pistols and revolvers	$1,568	$2,000	$2,000
Fountain and ball-point pens, mechanical pencils	9,060	9,000	10,000
Total manufacturers' excise taxes under existing legislation	3,974,135	3,907,000	3,963,000
Under proposed legislation			1,116,000
Total manufacturers' excise taxes under existing and proposed legislation	3,974,135	3,907,000	5,079,000
Retailers' excise taxes:			
Jewelry	156,134	152,000	158,000
Furs	28,544	29,000	30,000
Toilet preparations	98,158	104,000	110,000
Luggage, handbags, wallets, etc	58,785	58,000	60,000
Total retailers' excise taxes	341,621	343,000	358,000
Miscellaneous excise taxes:			
Under existing legislation:			
Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc	279,375	290,000	315,000
General telephone service	370,810	400,000	430,000
Transportation of oil by pipeline	35,143	10,000	
Transportation of persons	225,809	215,000	235,000
Transportation of property	462,989	150,000	
Diesel fuel, including special motor fuels	46,061	49,000	57,000
Use tax on certain vehicles	33,117	34,000	35,000
Admissions, exclusive of cabarets, roof gardens, etc	54,683	47,000	30,000
Cabarets, roof gardens, etc	42,919	43,000	43,000
Wagering taxes, including occupational taxes	6,939	7,000	7,000
Club dues and initiation fees	60,338	63,000	65,000
Leases of safe deposit boxes	6,137	6,000	6,000
Coconut and other vegetable oils, processed	9,383	1,000	
Sugar tax	85,911	86,000	86,000
Coin-operated amusement and gaming devices	17,513	16,000	17,000
Bowling alleys and billiard and pool tables	3,139	3,000	3,000
All other miscellaneous excise taxes	1,063	1,000	1,000
Total miscellaneous excise taxes under existing legislation	1,741,327	1,421,000	1,330,000
Under proposed legislation			23,000
Total miscellaneous excise taxes under existing and proposed legislation	1,741,327	1,421,000	1,353,000
Undistributed depositary receipts and unapplied collections	−32,749	50,507	66,600
Gross excise taxes under existing legislation	10,814,268	10,686,507	10,355,600
Less refunds	86,318	89,407	297,500
Less transfer to highway trust fund	2,116,028	2,130,000	2,217,000
Net excise taxes under existing legislation	8,611,921	8,467,100	7,841,100
Rate extensions and increases under proposed legislation			1,585,000
Reduction in refunds under proposed legislation			208,000
Increase in transfer to highway trust fund under proposed legislation			689,000
Net excise taxes under existing and proposed legislation	8,611,921	8,467,100	8,945,100
Employment taxes:			
Federal Insurance Contributions Act and Self-Employment Contributions Act	7,733,223	8,224,000	10,216,000
Railroad Retirement Tax Act	575,282	560,000	575,000
Federal Unemployment Tax Act	335,880	332,000	344,000
Gross employment taxes	8,644,386	9,116,000	11,135,000
Less refunds	3,618	4,100	4,100
Less transfers to—			
Federal old-age and survivors insurance trust fund	6,870,362	7,354,000	9,276,000
Federal disability insurance trust fund	862,862	870,000	940,000
Railroad retirement account	574,899	560,000	575,000
Net employment taxes	332,645	327,900	339,900

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SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Source	1958 actual	1959 estimate	1960 estimate
Gross estate and gift taxes	$1,410,925	$1,380,000	$1,430,000
Less refunds	18,007	15,000	15,000
Net estate and gift taxes	1,392,918	1,365,000	1,415,000
Gross taxes not otherwise classified	7,024	9,600	9,600
Less refunds	682	600	600
Net taxes not otherwise classified	6,342	9,000	9,000
Gross customs	799,505	858,000	918,000
Less refunds	17,838	18,000	18,000
Net customs	781,667	840,000	900,000
Miscellaneous receipts:			
Under existing legislation:			
Miscellaneous taxes	4,356	4,528	4,528
Seigniorage	59,475	60,125	59,965
Coinage	519	768	603
Fees for permits and licenses:			
Admission permits and fees	5,018	5,199	5,608
Business concessions	7,321	7,974	8,242
Immigration, passport, and consular fees	17,406	18,638	20,438
Patent and copyright fees	7,874	8,170	11,390
Registration and filing fees	3,757	3,330	3,335
Miscellaneous fees for permits and licenses	11,452	11,896	15,057
Total fees for permits and licenses	52,827	55,207	64,070
Fines, penalties, and forfeitures:			
Fines, penalties, and forfeitures, agricultural laws	16,032	10,947	9,485
Fines, penalties, and forfeitures, emergency war laws	131	60	54
Fines, penalties, and forfeitures, immigration and labor laws	442	442	442
Fines, penalties, and forfeitures, customs, commerce, and antitrust laws	2,339	2,224	2,262
Fines, penalties, and forfeitures, narcotic, prohibition, and alcohol laws	90	74	79
Forfeitures, unclaimed money and property	599	409	408
Miscellaneous fines, penalties, and forfeitures	3,217	3,217	2,842
Total fines, penalties, and forfeitures	22,849	17,373	15,572
Gifts and contributions:			
Contributions to "conscience fund"	88	79	79
Gifts to the United States	278	211	211
Total gifts and contributions	365	290	290
Interest:			
Interest on loans, Government corporations and enterprises	474,055	218,156	454,881
Interest on securities and advances of Government corporations	129,072	160,337	198,709
Interest on loans to individual and private organizations	428	229	179
Interest on loans, foreign governments	97,937	190,162	194,384
Interest on loans, States, municipalities, and other public bodies	149	312	354
Miscellaneous interest collections	42,977	57,269	61,908
Total interest	744,617	626,465	910,415
Dividends and other earnings:			
Earnings from Government-owned enterprises	1		
Earnings from Government-sponsored enterprises	670,975	486,408	589,410
Miscellaneous dividends and earnings	3,008	3,010	3,468
Total dividends and other earnings	673,983	489,418	592,878
Rents:			
Rent of land	14,438	32,049	32,114
Rent of buildings and grounds	24,353	25,139	24,877
Rent of equipment and facilities	43,772	52,481	57,124
Total rents	82,563	109,669	114,115

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Special Analysis B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Source	1958 actual	1959 estimate	1960 estimate
Miscellaneous receipts—Continued			
Under existing legislation—Continued			
Royalties:			
Royalties on minerals and other natural resources	$90,247	$100,725	$109,600
Royalties on patents and copyrights	22	19	14
Total royalties	90,269	100,744	109,614
Sale of products:			
Sale of agriculture products, livestock and livestock products	212	194	194
Sale of timber, wildlife, and other natural land products	116,524	145,347	155,400
Sale of minerals and mineral products	14,913	14,510	14,510
Sale of power and other utilities	152,373	148,986	157,258
Sale of publications and reproductions	4,006	4,315	4,510
Sale of scrap, salvage, and waste (byproducts)	5,714	6,176	6,175
Sale of miscellaneous products	9,647	11,710	11,279
Total sale of products	303,387	331,238	349,326
Fees and other charges for services:			
Fees and other charges for accounting, legal, and judicial services	3,921	4,141	4,230
Fees and other charges for communication and transportation services	6,848	7,376	7,806
Fees and other charges for quarters, subsistence, laundry, and health services	7,321	7,249	7,289
Fees and other charges for testing, inspection, and grading services	4,687	4,302	4,372
Fees and other charges for administrative, professional, and scientific services	4,132	4,625	4,486
Fees and other charges for miscellaneous services	14,148	9,287	10,208
Total fees and other charges for services	41,059	36,980	38,391
Sale of Government property:			
Sale of public land and buildings	18,043	21,780	24,153
Sale of surplus Government property	172,662	163,247	157,876
Sale of other Government property	154,385	154,919	166,274
Total sale of Government property	345,091	339,946	348,303
Realization upon loans and investments:			
Repayment of capital investment, Government-owned enterprises	3,430	3,050	3,130
Repayment of capital investment, Government-sponsored enterprises	4,832	4,800	1,000
Repayment of loans, foreign governments	25,199	120,129	109,347
Repayment of loans, States, municipalities, and other public bodies	241	779	842
Repayment of loans, individuals and private organizations	287,614	291,144	311,009
Proceeds from sale of securities, stocks, and collateral	1,151	1,184	1,217
Repayments upon other loans and investments	398	401	401
Total realization upon loans and investments	322,866	421,487	426,946
Recoveries and refunds:			
Compensation for Government property lost or damaged	7,571	8,759	9,750
War reparations and recoveries under military occupation	2,305	5	5
Recoveries of excess profits and costs	43,385	45,041	36,643
Recoveries under foreign aid programs	217,991	181,040	109,346
Miscellaneous recoveries and refunds	180,038	264,810	139,040
Total recoveries and refunds	451,293	499,655	294,784
Gross miscellaneous receipts under existing legislation	3,195,519	3,093,893	3,329,800
Under proposed legislation			15,000
Gross miscellaneous receipts under existing and proposed legislation	3,195,519	3,093,893	3,344,800
Less refunds	2,191	2,893	1,800
Net miscellaneous receipts under existing and proposed legislation	3,193,328	3,091,000	3,343,000
Net budget receipts	69,116,717	68,000,000	77,100,000

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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 L 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.

The allowance for contingencies constitutes an additional entry in the tabulations for the years 1959 and 1960.

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
MAJOR NATIONAL SECURITY						
061 **Military defense:**						
Department of Defense—Military Functions	$36,746,546	$41,137,551	$40,850,000	$39,061,838	$40,800,000	$40,945,000
066 **Development and control of atomic energy:**						
Independent offices: Atomic Energy Commission	2,361,912	2,723,275	2,771,500	2,268,014	2,630,000	2,745,000
067 **Stockpiling and defense production expansion:**						
Funds appropriated to the President		325,000		440,754	287,841	214,999
General Services Administration		3,000		184,224	90,000	50,000
Total, stockpiling and defense production expansion		328,000		624,978	377,841	264,999
068 **Military assistance:**						
Funds appropriated to the President	1,340,000	1,515,000	1,600,000	2,187,482	2,312,201	1,850,000
Total, major national security	40,448,458	45,703,826	45,221,500	44,142,312	46,120,042	45,804,999
Enacted or recommended in this document	40,448,458	45,084,626	41,908,800	44,142,312	45,842,313	45,133,767
Proposed for later transmission		619,200	3,312,700		277,729	671,232
INTERNATIONAL AFFAIRS AND FINANCE						
151 **Conduct of foreign affairs:**						
Independent offices: Tariff Commission	1,768	1,967	2,035	1,712	2,020	2,032
General Services Administration		3,750			1,500	2,200
Department of State	181,526	221,120	204,291	174,620	242,021	212,015
Total, conduct of foreign affairs	183,294	226,837	206,326	176,332	245,541	216,247
152 **Economic and technical development:**						
Funds appropriated to the President	1,424,183	2,001,029	2,330,000	1,423,750	1,568,607	1,647,803
Independent offices: Export-Import Bank of Washington	2,000,000			339,826	242,636	−6,089
General Services Administration				347	−19	100
Department of Agriculture	220,245	119,270	104,508	121,446	105,834	94,395
Department of Commerce	12,000	10,000		19,890	24,000	21,000
Department of Defense—Civil Functions	4,036	13,462	6,282	2,703	3,720	9,400
Department of State	1,500		4,500	1,047	1,241	1,424
Treasury Department		4,550,000		1	1,375,000	
Total, economic and technical development	3,661,964	6,693,761	2,445,290	1,909,010	3,321,019	1,768,033
153 **Foreign information and exchange activities:**						
Funds appropriated to the President	15,168	6,411	7,100	16,251	9,041	6,805
Independent offices: United States Information Agency	97,617	119,147	126,700	108,664	107,264	114,069
Department of State	24,835	23,529	23,934	23,675	24,665	23,606
Total, foreign information and exchange activities	137,620	149,087	157,734	148,590	140,970	144,480
Total, international affairs and finance	3,982,878	7,069,685	2,809,350	2,233,932	3,707,530	2,128,760
Enacted or recommended in this document	3,982,878	2,124,460	472,100	2,233,932	2,292,559	1,497,875
Proposed for later transmission		4,945,225	2,337,250		1,414,971	630,885
VETERANS' SERVICES AND BENEFITS						
101 **Veterans' education and training:**						
Independent offices: Veterans Administration	721,638	595,827	481,073	698,832	619,316	490,073
102 **Other veterans' readjustment benefits:**						
Independent offices; Veterans Administration	92,409	105,473	106,927	92,424	105,382	107,368
Department of Labor	75,549	44,000	8,000	75,278	44,000	8,000
Total, other veterans' readjustment benefits	167,958	149,473	114,927	167,702	149,382	115,368
103 **Veterans' compensation and pensions:**						
Independent offices: Veterans Administration	3,082,250	3,252,500	3,307,000	3,104,494	3,256,818	3,307,000
104 **Veterans' insurance and servicemen's indemnities:**						
Independent offices: Veterans Administration	46,203	51,760	53,655	43,095	43,510	48,513
105 **Veterans' hospitals and medical care:**						
Independent offices: Veterans Administration	878,338	897,807	915,809	855,915	930,083	945,777

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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

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
VETERANS' SERVICES AND BENEFITS—Continued						
106 Other veterans' services and administration:						
Independent offices:						
American Battle Monuments Commission	$2,500	$1,275	$1,295	$3,512	$3,750	$3,300
Veterans Administration	164,871	168,156	170,676	144,064	187,418	169,141
Department of Defense—Civil Functions	6,878	7,537	9,000	7,437	7,401	8,201
Department of Labor	563	588	592	523	604	589
Total, other veterans' services and administration	174,812	177,556	181,563	155,536	199,173	181,231
Total, veterans' services and benefits	5,071,199	5,124,923	5,054,027	5,025,574	5,198,282	5,087,962
Enacted or recommended in this document	5,071,199	5,002,933	5,049,027	5,025,574	5,079,062	5,080,192
Proposed for later transmission		121,990	5,000		119,220	7,770
LABOR AND WELFARE						
211 Labor and manpower:						
Independent offices:						
Federal Coal Mine Safety Board of Review	70	70	70	52	70	70
Federal Mediation and Conciliation Service	3,674	3,949	3,949	3,507	4,098	3,910
National Labor Relations Board	9,749	13,274	14,230	9,442	12,585	13,600
National Mediation Board	1,295	1,347	1,357	1,233	1,356	1,392
National Security Training Commission				2		
Selective Service System	27,470	29,915	30,650	26,648	30,500	29,415
Department of the Interior	6,096	6,387	6,387	5,708	6,400	6,450
Department of Labor	988,453	363,260	369,555	371,617	771,687	364,610
Treasury Department	39,532		5,612	39,532		5,612
Total, labor and manpower	1,076,339	418,202	431,810	457,741	826,696	425,059
212 Public assistance:						
Department of Health, Education, and Welfare	1,769,457	1,977,309	2,037,967	1,797,120	1,987,456	2,022,143
213 Promotion of public health:						
Independent offices: Interstate Commission on the Potomac River Basin	5	5	5	5	5	5
General Services Administration	2,000	1,020		6,236	4,500	3,000
Department of Health, Education, and Welfare	629,876	822,089	664,522	540,069	664,611	674,944
Total, promotion of public health	631,881	823,114	664,527	546,310	669,116	677,949
214 Promotion of education:						
Independent offices: National Science Foundation	20,398	66,173	66,599	14,872	51,118	59,512
Department of Health, Education, and Welfare	284,615	356,367	394,030	245,746	325,550	361,945
Department of the Interior	57,357	60,540	58,958	54,269	59,585	57,300
Total, promotion of education	362,370	483,080	519,587	314,887	436,253	478,757
215 Promotion of science, research, libraries, and museums:						
Legislative branch	9,341	10,945	11,202	9,250	11,326	10,981
Funds appropriated to the President		5,100			1,400	1,600
Independent offices:						
National Science Foundation	31,351	72,327	93,701	34,849	60,023	80,488
Smithsonian Institution	8,579	9,521	9,552	7,044	13,598	23,707
Department of Commerce	22,704	40,387	120,484	16,415	40,649	105,490
Department of Health, Education, and Welfare	5,000	6,000	5,150	4,892	5,650	6,000
Total, promotion of science, research, libraries, and museums	76,975	144,280	240,089	72,450	132,646	228,266
216 Correctional and penal institutions:						
Department of Justice	37,062	42,320	58,975	33,900	41,089	45,351
217 Other welfare services and administration:						
Legislative branch	1,206	1,368	1,619	1,160	1,446	1,549
Department of Agriculture	145,587	202,045	166,731	166,720	217,901	174,891
Department of Health, Education, and Welfare	60,241	66,037	74,240	57,196	67,430	74,784
Total, other welfare services and administration	207,034	269,450	242,590	225,076	286,777	251,224
Total, labor and welfare	4,161,118	4,157,755	4,195,545	3,447,484	4,380,033	4,128,749
Enacted or recommended in this document	4,161,118	3,884,353	4,195,545	3,447,484	4,149,854	4,091,608
Proposed for later transmission		273,402			230,179	37,141

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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

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Stabilization of farm prices and farm income:						
Department of Agriculture	$4,974,401	$3,852,084	$3,608,918	$3,151,166	$5,386,056	$4,489,735
352 Financing farm ownership and operation:						
Independent offices: Farm Credit Administration	1,922	2,125	2,125	−3,452	3,772	1,609
Department of Agriculture	239,714	244,200	204,300	242,093	247,269	194,289
Total, financing farm ownership and operation	241,636	246,325	206,425	238,641	251,041	195,898
353 Financing rural electrification and rural telephones:						
Department of Agriculture	248,056	419,132	224,632	296,892	324,855	334,603
354 Conservation and development of agricultural land and water resources:						
Department of Agriculture	509,861	587,284	730,917	448,139	514,476	674,607
355 Research, and other agricultural services:						
Independent offices: Commission on Increased Industrial Use of Agricultural Products				9		
Department of Agriculture	282,829	309,018	294,276	254,607	298,536	300,824
Total, research, and other agricultural services	282,829	309,018	294,276	254,616	298,536	300,824
Total, agriculture and agricultural resources	6,256,783	5,413,843	5,065,168	4,389,454	6,774,964	5,595,667
Enacted or recommended in this document	6,256,783	4,173,081	4,490,168	4,389,454	6,753,099	5,863,256
Proposed for later transmission		1,240,762	575,000		21,865	132,411
NATURAL RESOURCES						
401 Conservation and development of land and water resources:						
Independent offices:						
Federal Power Commission	5,883	7,121	7,478	5,572	7,280	7,464
River Basin Study Commissions		400	1,600		350	1,500
Saint Lawrence Seaway Development Corporation	35,000			48,323	17,100	4,200
Tennessee Valley Authority	13,317	216,850	15,286	37,766	47,999	25,378
Department of Defense—Civil Functions	638,651	809,808	864,848	699,271	725,156	815,320
Department of the Interior	324,261	422,348	387,354	342,387	403,865	384,099
Department of State	3,720	4,779	3,733	5,176	7,071	4,206
Total, conservation and development of land and water resources	1,020,832	1,461,306	1,280,299	1,138,495	1,208,821	1,242,167
402 Conservation and development of forest resources:						
Department of Agriculture	175,359	183,570	180,174	163,688	183,336	173,652
Department of the Interior	10,131	11,048	12,052	10,131	11,048	12,052
Total, conservation and development of forest resources	185,490	194,618	192,226	173,819	194,384	185,704
403 Conservation and development of mineral resources:						
Department of the Interior	59,823	81,558	67,764	58,833	77,636	77,723
404 Conservation and development of fish and wildlife:						
Department of Defense—Civil Functions	23	26	26	21	26	26
Department of the Interior	63,274	60,888	68,055	58,117	67,203	67,880
Department of State	1,648	1,664	1,754	1,617	1,668	1,750
Total, conservation and development of fish and wildlife	64,945	62,578	69,835	59,755	68,897	69,656
405 Recreational use of natural resources:						
Independent offices	17	420	1,100	17	371	1,000
Department of the Interior	77,162	84,110	80,190	68,807	96,964	82,396
Total, recreational use of natural resources	77,179	84,530	81,290	68,824	97,335	83,396
409 General resource surveys and administration:						
Department of the Interior	47,273	58,573	52,381	43,440	61,065	50,977
Total, natural resources	1,455,542	1,943,163	1,743,795	1,543,166	1,708,138	1,709,623
Enacted or recommended in this document	1,455,542	1,699,771	1,741,095	1,543,166	1,669,310	1,682,659
Proposed for later transmission		243,392	2,700		38,828	26,964

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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

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
COMMERCE AND HOUSING						
511 Promotion of water transportation:						
Department of Commerce	$121,832	$290,086	$278,816	$173,714	$212,436	$232,059
Department of Defense—Civil Functions	750	19,250		−1,065	12,596	5,289
Treasury Department	224,421	240,550	260,300	218,929	238,038	250,341
Total, promotion of water transportation	347,003	549,886	539,116	391,578	463,070	487,689
512 Provision of highways:						
Department of Commerce	38,000	36,000		31,229	36,139	3,100
513 Promotion of aviation and space flight:						
Independent offices:						
Civil Aeronautics Board	37,228	58,835	62,618	38,070	58,435	62,618
Federal Aviation Agency	405,636	565,884	602,400	276,533	466,362	560,000
National Aeronautics and Space Administration	117,276	350,532	485,300	89,193	153,000	280,000
Department of Commerce					−34	3
Total, promotion of aviation	560,140	975,251	1,150,318	403,796	677,763	902,621
514 Postal service:						
Post Office Department	908,000	557,894	[1] 172,000	673,992	751,728	[1] 108,600
515 Community development and facilities:						
General Services Administration				3	58	
Housing and Home Finance Agency	356,275	210,250	260,250	70,837	111,209	141,764
Department of Health, Education, and Welfare				13	42	
Department of the Interior	6,000	5,300		7,544	7,695	3,000
Total, community development and facilities	362,275	215,550	260,250	78,397	119,004	144,764
516 Public housing programs:						
Independent offices: National Capital Housing Authority	38	38	45	38	38	45
Housing and Home Finance Agency	110,655	125,660	137,000	51,406	92,593	92,985
Total, public housing programs	110,693	125,698	137,045	51,444	92,631	93,030
517 Other aids to housing:						
Independent offices:						
Federal Home Loan Bank Board				−38,318	−42,522	−47,279
Veterans Administration	49,571	150,000	150,000	158,909	143,941	99,984
Housing and Home Finance Agency	3,198,716	213,345	10,250	76,815	860,346	82,898
Department of Agriculture				30,186	63,100	13,000
Total, other aids to housing	3,248,287	363,345	160,250	227,592	1,024,865	148,603
518 Other aids to business:						
Legislative branch	1,447	1,397	1,478	1,408	1,451	1,463
Independent offices:						
Alaska International Rail and Highway Commission	60	240		36	116	100
Atomic Energy Commission				−95	−64	−25
Small Business Administration	114,322	224,332	200,600	70,969	157,060	163,553
General Services Administration				−2,425	−3,395	−3,418
Department of Commerce	46,357	48,448	105,275	43,192	53,339	60,479
Department of Defense—Civil Functions				8,207	−1,341	−6,929
Department of the Interior				4,665	4,600	2,000
Treasury Department				−11,213	−6,509	−3,759
Total, other aids to business	162,186	274,417	307,353	114,744	205,257	213,464
519 Regulation of commerce and finance:						
Independent offices:						
Civil Aeronautics Board	5,711	6,464	7,500	5,359	6,588	7,300
Federal Communications Commission	8,734	9,820	11,000	8,349	10,013	10,627
Federal Trade Commission	6,186	6,515	6,975	5,917	6,740	6,935
Interstate Commerce Commission	17,412	18,824	20,150	16,580	19,559	20,133
Securities and Exchange Commission	6,935	7,737	8,275	6,491	7,853	8,200
Department of Commerce	3,166	3,197	2,832	3,043	3,260	2,854
Department of Health, Education, and Welfare				−12	47	−97
Department of Justice	3,912	4,143	4,500	3,735	4,048	4,426
Treasury Department				1		
Total, regulation of commerce and finance	52,056	56,700	61,232	49,463	58,108	60,378

[1] Includes proposed postal rate increases of $350,000 thousand.

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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

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
COMMERCE AND HOUSING—Continued						
520 Civil and defense mobilization:						
Executive Office of the President: Office of Civil and Defense Mobilization	$41,555	$48,285	$86,970	$66,046	$60,121	$65,000
Treasury Department				−146	−159	−157
Total, civil and defense mobilization	41,555	48,285	86,970	65,900	59,962	64,843
521 Disaster insurance, loans, and relief:						
Funds appropriated to the President	25,000			12,701	11,837	11,500
Independent offices: Small Business Administration	8,000	7,000	5,000	7,839	8,337	4,625
Housing and Home Finance Agency				47		
Total, disaster insurance, loans, and relief	33,000	7,000	5,000	20,587	20,174	16,125
Total, commerce and housing	5,863,195	3,210,026	2,879,534	2,108,722	3,508,701	2,243,217
Enacted or recommended in this document	5,863,195	2,495,397	2,359,734	2,108,722	3,134,912	2,453,714
Proposed for later transmission		714,629	[1] 519,800		373,789	[1] −210,497
GENERAL GOVERNMENT						
601 Legislative functions:						
Legislative branch	85,447	96,718	92,436	88,400	104,048	135,537
602 Judicial functions:						
Legislative branch	28	30	30	28	30	30
The judiciary	44,293	48,478	51,040	43,625	49,210	50,879
Independent offices: Indian Claims Commission	178	178	180	162	177	179
General Services Administration				232	30	
Total, judicial functions	44,499	48,686	51,250	44,047	49,447	51,088
603 Executive direction and management:						
Executive Office of the President	9,474	10,162	10,256	9,028	10,080	10,250
Funds appropriated to the President	1,000	1,000	1,250	484	1,205	1,165
Independent offices: President's Advisory Commission on Presidential Office Space				2		
General Services Administration			200			180
Treasury Department	1,049	1,245	1,305	970	1,322	1,304
Total, executive direction and management	11,523	12,407	13,011	10,484	12,607	12,899
604 Federal financial management:						
Independent offices:						
General Accounting Office	37,010	40,100	41,869	35,233	40,677	41,615
Renegotiation Board	3,056	3,065	3,000	2,946	3,171	3,007
Tax Court of the United States	1,460	1,526	1,535	1,442	1,525	1,529
Treasury Department	483,030	506,860	519,930	462,626	520,679	517,062
Total, Federal financial management	524,556	551,551	566,334	502,247	566,052	563,213
605 General property and records management:						
Independent offices: Central Intelligence Agency				3,622	8,010	14,000
General Services Administration	266,538	489,575	257,529	235,761	334,845	359,215
Total, general property and records management	266,538	489,575	257,529	239,383	342,855	373,215
606 Central personnel management and employment costs:						
Independent Offices: Civil Service Commission	21,431	22,641	22,615	21,116	23,586	22,323
Department of Labor	116,942	192,968	192,080	119,218	190,966	188,846
Total, central personnel management and employment costs	138,373	215,609	214,695	140,334	214,552	211,169
607 Civilian weather services:						
Independent offices: Advisory Committee on Weather Control	100			187	13	
Department of Commerce	39,815	45,583	51,855	39,274	48,522	50,966
Total, civilian weather services	39,915	45,583	51,855	39,461	48,535	50,966

[1] Includes proposed postal rate increases of $350,000 thousand.

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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

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
GENERAL GOVERNMENT—Continued						
608 Protective services and alien control:						
Independent offices:						
Civil Service Commission	$493	$493	$412	$489	$490	$433
Commission on Civil Rights		790	788		710	820
Commission on Government Security	153			101		
Subversive Activities Control Board	375	375	400	327	371	400
Department of Justice	194,256	206,410	211,600	191,176	206,851	209,023
Treasury Department	7,411	7,833	8,180	7,110	8,080	8,175
Total, protective services and alien control	202,688	215,901	221,380	199,203	216,502	218,851
609 Territories and possessions, and the District of Columbia:						
Independent offices:						
District of Columbia Auditorium Commission				6		
National Capital Planning Commission	1,735	245	4,864	1,224	2,599	2,000
Department of Defense—Civil Functions	17,468	21,282	22,030	16,751	21,422	21,919
Department of the Interior	11,983	12,477	11,833	11,482	12,034	12,762
Treasury Department	18,544	20,012	20,012	18,679	19,812	20,048
District of Columbia	32,135	37,361	69,618	24,504	37,907	41,622
Total, Territories and possessions, and the District of Columbia	81,865	91,377	128,357	72,646	93,774	98,351
610 Other general government:						
Legislative branch	3,234	8,723	3,520	−1,488	944	2,665
Funds appropriated to the President			10,500			10,500
Independent offices:						
Commission on International Rules of Judicial Procedure		75			10	65
Foreign Claims Settlement Commission	570	613	408	460	630	410
Historical and memorial commissions	207	481	245	260	528	303
Permanent Committee for the Oliver Wendell Holmes Devise	14	50	12	39	67	90
Department of Defense—Civil Functions		244		162	344	50
Department of the Interior	191	189	189	359	907	204
Treasury Department	16,909	20,739	5,002	20,458	21,184	5,002
Total, other general government	21,125	31,114	19,876	20,250	24,614	19,289
Total, general government	1,416,529	1,798,521	1,616,723	1,356,455	1,672,986	1,734,578
Enacted or recommended in this document	1,416,529	1,641,984	1,605,723	1,356,455	1,531,437	1,712,839
Proposed for later transmission		156,537	11,000		141,549	21,739
INTEREST						
651 Interest on the public debt:						
Treasury Department	7,606,774	7,500,000	8,000,000	7,606,774	7,500,000	8,000,000
652 Interest on refunds of receipts:						
General Services Administration		225		218	224	100
Treasury Department	73,675	91,776	86,900	73,675	91,776	86,900
Total, interest on refunds of receipts	73,675	92,001	86,900	73,893	92,000	87,000
653 Interest on uninvested funds:						
Treasury Department	8,397	8,803	9,108	8,397	8,803	9,108
Total, interest	7,688,846	7,600,804	8,096,008	7,689,064	7,600,803	8,096,108
Enacted or recommended in this document	7,688,846	7,600,579	8,096,008	7,689,064	7,600,728	8,096,008
Proposed for later transmission		225			75	100
ALLOWANCE FOR CONTINGENCIES		400,000	125,000		200,000	100,000
Total new obligational authority and expenditures	76,344,551	82,422,544	76,806,651	71,936,166	80,871,479	77,029,660
Enacted or recommended in this document	76,344,551	73,707,182	69,918,201	71,936,166	78,053,273	75,611,913
Proposed for later transmission		8,715,362	6,888,450		2,818,206	1,417,747

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Special Analysis D

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

INTRODUCTION

This special analysis is designed to 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 in which 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—the first for acquisition of assets by the Federal Government, and the second for other broad developmental purposes.

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.

In each category shown in this analysis, expenditures for major national security (as defined in special analysis C) are reported separately from those for all other (civil) programs. Such a distinction is helpful in appraising the nature of the outlays, since military expenditures for assets and other developmental purposes are generally designed to achieve objectives different from 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.

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 United States Federal budget, however, investment items are treated in the same way as expenditures for other purposes; both types are included in arriving at the budget surplus or deficit.

A capital budget would also require annual allowances for such items as depreciation and obsolescence on existing physical assets, anticipated losses on loan programs, 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 the value of existing assets.

Additions to Federal assets are limited in this analysis 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.

Expenditures for other developmental purposes include outlays for research and development; education and health; additions to State, local, and private assets; and other programs that contribute to the general physical productivity of the economy or help increase the technical skills and knowledge of individuals. Since Federal expenditures are viewed here in terms of their effect on the economy as a whole, this analysis adopts a broader concept of developmental outlays than is generally employed in private accounting practice for capital items.

Recovery of certain types of expenditures.—A part of Federal expenditures for loans, for investment in commodity inventories, and for construction of powerplants is usually 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.

SUMMARY

In 1960, $30,039 million of estimated expenditures represent outlays for the acquisition and improvement of assets and for other developmental purposes, compared to $32,266 million in 1959. Current expenses for aids, services, and operations are estimated to be $46,892 million for 1960, compared to $48,406 million for 1959.

Table 1.—*Summary of investment, operating, and other budget expenditures*

[In millions]

	1958 actual	1959 estimate	1960 estimate
Additions to Federal assets:			
Civil	$3,050	$8,118	$5,363
Major national security	18,571	18,032	17,778
Expenditures for other developmental purposes:			
Civil	1,853	2,312	2,628
Major national security	2,709	3,805	4,269
Current expenses for aids and special services:			
Civil	13,050	14,019	12,554
Major national security	2,235	2,388	1,929
Other services and current operating expenses:			
Interest	7,689	7,601	8,096
Other civil	2,151	2,502	2,484
Major national security	20,628	21,895	21,829
Allowance for contingencies		200	100
Total	71,936	80,871	77,030
Civil	27,794	34,751	31,225
Major national security	44,142	46,120	45,805

ADDITIONS TO FEDERAL ASSETS

Expenditures representing direct investment by the Federal Government in loans and federally owned physical assets are estimated to total $23,142 million in 1960, compared to $26,149 million in 1959. The decrease from 1959 to 1960 is largely in expenditures for loans. Over three quarters of the 1960 total 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 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. In these cases, only the difference between disbursements and collections is included in budget expenditures. Hence, net expenditures for loans as reported in this analysis

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

reflect only a fraction of total direct Government lending activity. 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. This budget proposes that in the future these lending programs also be conducted on a revolving fund basis.

Net budget expenditures for loans in 1960 are estimated to be $629 million, compared to $4,693 million in 1959. Net expenditures for loans to domestic private borrowers account for $2,452 million of this estimated decrease. Net receipts from repayments of Commodity Credit Corporation loans for price support and grain storage programs are estimated at $814 million in 1960, while net expenditures of $805 million for these loans is expected in 1959. The bulk of Commodity Credit Corporation loan repayments consists of commodities acquired by the Corporation at loan value. Federal National Mortgage Association expenditures in 1959 reflect purchases of low-cost housing mortgages under the billion-dollar special assistance program enacted in the spring of 1958. In 1960 the Association expects to cover its mortgage purchases by equivalent receipts from mortgage sales and other sources. Thus, its expenditures in 1960 are expected to be $694 million below 1959.

An estimated decline of $1,574 million from 1959 to 1960 in loans to foreign borrowers is due mainly to the fact that an additional United States subscription to the International Monetary Fund is proposed for 1959, requiring a nonrecurring expenditure of $1,375 million in that year. In addition, more of the portfolio of the Export-Import Bank will be sold to private investors in 1960, thus reducing the Bank's net expenditures below the 1959 level.

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, including those outside the continental United States, which are owned by the Federal Government. A summary of these and related programs is given in special analysis F.

Expenditures in 1960 for direct Federal public works are estimated to be $70 million less than in 1959. Over one-half of the 1960 amount, $1,973 million, will be for major national security public works. This includes expenditures for construction of military and atomic energy research and development facilities as well as for construction of missile launching sites and their supporting facilities. Civil public works expenditures, mainly for water resources and related development, public buildings and airways facilities, are estimated at $1,812 million in 1960, $200 million higher than in 1959. No funds are recommended to initiate construction on new water resource projects in 1960; total expenditures reflect primarily expenditures for construction presently underway, including projects previously accelerated to aid economic recovery.

TABLE 2.—*Additions to Federal assets*

[In millions]

	1958 actual	1959 estimate	1960 estimate
Loans:			
Civil	$1,130	$4,706	$649
Major national security	−11	−13	−20
Public works—sites and direct construction:			
Civil	1,252	1,612	1,812
Major national security	1,964	2,243	1,973
Major commodity inventories—net change:			
Civil	547	1,614	2,728
Major national security	568	299	190
Major equipment:			
Civil	39	80	72
Major national security	14,504	13,743	13,878
Other physical assets—acquisition and improvement:			
Civil	82	106	102
Major national security	1,546	1,760	1,756
Total additions to Federal assets	21,620	26,149	23,142

Major commodity inventories.—Net expenditures for purchases of commodities held for resale or in stockpiles are expected to be $2,918 million in 1960, $1,006 million more than in 1959. The figure for total purchases includes transportation costs, administrative expenses, and storage costs where these are normally included in costs of goods sold.

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 $2,719 million in 1960, $1,126 million more than in 1959. Expenditures in 1960 for the stockpiling of strategic and critical materials (other than fissionable) and for purchases of defense materials are expected to decline by $109 million from the 1959 level of $299 million.

Major equipment.—Expenditures for major equipment in 1960 are estimated at $13,950 million, an increase of $127 million over 1959. These expenditures are almost entirely for major military procurement and production. Missile systems will take a larger share of 1960 procurement expenditures, and aircraft will take less. Ships and other weapons and equipment will take about the same amount as in 1959.

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 $1,859 million in 1960. 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 on defaulted loans.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES

The category "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 three-fifths of the total estimated expenditures of $6,897 million in this category for 1960.

State and local physical assets.—In 1960 the Federal Government will spend an estimated $250 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, hospitals, airports, and other facilities. This amount excludes expenditures of over $3 billion in 1960 for the Federal-aid highway system; since 1957 such highway expenditures 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 $780 million in 1960, compared to $610 million in 1959, reflecting primarily an estimated increase in the soil bank conservation reserve.

Education, training, and health.—An estimated $730 million of budget expenditures will be devoted to education, training, and health in 1960. These programs are developmental, since their purpose is to foster the knowledge, skills, longevity, and physical vigor of the population. Most of the programs are conducted through grants to State and local governments. They include school operating aid to school districts especially affected by activities of the Federal Government, grants and contributions under the National Defense Education Act of 1958, and grants to States for programs of vocational education, vocational rehabilitation, maternal and child welfare, public health, and agricultural extension work. Several closely related major items are classified in other categories—principally the veterans' education program (classified in 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 are estimated at $5,063 million in 1960, $616 million more than 1959. Major research and development emphasis in 1960 will be on missiles, space exploration, peaceful and military uses of atomic energy, and basic research. Over four-fifths of the 1960 amount will be devoted to research and development by the Department of Defense and the Atomic Energy Commission. (See special analysis H for the definition of Department of Defense research and development.) Expenditures by the newly established National Aeronautics and Space Administration for research and development in 1960 will be directed toward increasing our understanding of the earth's outer atmosphere, the moon and the planets, space radiation, and related phenomena. Extensive research on air-traffic control will go forward in 1960 under the new Federal Aviation Agency. National Science Foundation expenditures for research and development will increase in 1960, 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]

	1958 actual	1959 estimate	1960 estimate
State and local physical assets	$251	$301	$250
Private physical assets	547	610	780
Education, training, and health:			
Civil	519	673	717
Major national security	13	11	13
Research and development:			
Civil	472	654	807
Major national security	2,696	3,794	4,256
Engineering and natural resources surveys	64	74	73
Total expenditures for other developmental purposes	4,563	6,117	6,897

Consistent with the definition of research and development used in special analysis H, expenditures for routine testing, mapping and surveys, experimental production, information activities, and training programs are generally excluded from this category.

Engineering and natural resource surveys.—An estimated $73 million of expenditures in 1960 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

This category—current expenses for aids and special services—contains the administrative and other operating expenses for the previously discussed investment-type programs, the costs of maintaining physical assets, and other current expenditures which primarily provide aids or special services to one or more specific economic groups.

Over four-fifths of budget expenditures for aids and special services in 1960 are for civil programs. The estimated total for these programs in 1960 is $14,483 million, a decline of $1,924 million from 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 arising from the price-support program and the sale of surplus commodities for foreign currencies, 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 for farmers. Current expenses for programs in this category are estimated at $2,750 million in 1960, $396 million less than in 1959,

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

reflecting primarily termination of the soil bank acreage reserve.

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 are Government payments to the Post Office to cover certain 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 from $1,491 million in 1959 to $881 million in 1960, due largely to the increase in postal rates proposed in this budget.

Labor.—The largest current Federal expenditure benefiting labor in 1960 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. 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 1960 are estimated to total $342 million, compared to $744 million in 1959. The estimated decrease in expenditures for 1960 reflects primarily the expiration of the temporary program of extended unemployment insurance benefits enacted in 1958.

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; (2) grants for the capital losses of slum clearance and urban renewal projects; and (3) 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 both 1958 and 1959. Net expenditures of $1 million are estimated in 1960.

TABLE 4.—*Current expenses for aids and special services*

[In millions]

	1958 actual	1959 estimate	1960 estimate
Agriculture	$3,242	$3,146	$2,750
Business:			
Civil	1,238	1,432	817
Major national security	41	58	64
Labor	388	744	342
Homeowners and tenants	−40	−6	1
Veterans	4,898	5,037	4,921
International:			
Civil	1,310	1,394	1,412
Major national security	2,194	2,330	1,865
Other aids and special services	2,014	2,272	2,311
Total current expenses for aids and special services	15,286	16,407	14,483

Veterans.—Current expenditures for aids to veterans in 1960 are estimated at $4,921 million, $116 million below 1959. Compensation and pension benefits account for about two-thirds of the estimated 1960 total in this category. 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. The readjustments benefits include education and training for veterans who enroll in schools and colleges; vocational training on the job or farm; veterans' loan-guaranty programs; and veterans' unemployment compensation.

International.—In 1960, $3,221 million of total estimated expenditures in this subcategory will be for mutual security programs. Military assistance expenditures, estimated at $1,850 million in 1960, furnish military equipment and training; economic portions of the program, estimated at $1,371 million in 1960, help friendly nations to develop their economies and to meet the economic burdens imposed by the need for maintaining adequate defense forces. Other programs in this category include emergency famine relief abroad and the Inter-American Highway.

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 these 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 increase from $2,272 million in 1959 to $2,311 million in 1960.

OTHER SERVICES AND CURRENT OPERATING EXPENSES

All other Government expenditures, apart from the allowance for contingencies, are included in this final major category. In the main, the activities covered are the basic administrative operations of maintaining a military establishment, conducting foreign affairs, making and enforcing laws, collecting taxes, and managing and paying interest on the public debt. Expenditures in the category are estimated at $32,409 million in 1960, an increase of $410 million over 1959.

Current expenditures for major national security purposes, mostly for operation and maintenance of military facilities and for pay and subsistence of military personnel, dominate this category. By far the largest component of civil expenditures is 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.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Net expenditures for civil repair, maintenance, and operation are estimated at $332 million in 1959 and $317 million in 1960. Outlays for the operation and maintenance of structures, weapons and equipment, and facilities for major national security programs are estimated to be $10,059 million in 1960, $92 million less than in 1959.

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 Department of Justice, the Treasury Department, and the judiciary, as well as the operations of the independent regulatory agencies. Expenditures for regulation and control are estimated to total $607 million in 1960, compared to $586 million in 1959.

Operation and administration of other civil activities.—All other governmentwide or multipurpose expenditures for civil programs are estimated to total $1,560 million for 1960, about the same as in 1959. These cover expenditures for the legislative branch and the conduct of foreign affairs; tax collection, public debt management, and other financing activities; central procurement and recordkeeping; and various other direct Federal programs not elsewhere classified.

Other major national security operation and administration.—These expenditures are estimated to increase from $11,744 million in 1959, to $11,770 million in 1960. 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.—Almost all of these expenditures are 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 are expected to rise $495 million between 1959 and 1960.

Table 5.—*Other services and current operating expenses*

[In millions]

	1958 actual	1959 estimate	1960 estimate
Repair, maintenance, and operation of physical assets:			
Civil	$290	$332	$317
Major national security	9,174	10,151	10,059
Regulation and control	527	586	607
Operation and administration of other civil activities	1,334	1,584	1,560
Other major national security operation and administration	11,454	11,744	11,770
Interest	7,689	7,601	8,096
Total other services and current operating expenses	30,468	31,999	32,409

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation

[In millions]

	1958 actual	1959 estimate	1960 estimate
ADDITIONS TO FEDERAL ASSETS			
Loans:			
Civil:			
To domestic private borrowers:			
Small Business Administration	$78	$157	$158
Veterans Administration	174	177	130
Housing and Home Finance Agency:			
Federal National Mortgage Association	1	739	45
College housing loans	66	93	74
Federal Housing Administration	20	10	7
Other	−9	−12	−18
Department of Agriculture:			
Commodity Credit Corporation: Price support and grain storage loans	−457	805	−814
Farmers' Home Administration	239	272	171
Rural Electrification Administration	288	315	325
Department of Health, Education, and Welfare:			
Defense educational activities		14	41
Treasury Department:			
Reconstruction Finance Corporation	−12	−7	−4
Civil defense loans	(1)	(1)	(1)
Other agencies	7	1	−1
Total to domestic private borrowers, civil	395	2,565	113
To State and local governments:			
For public works:			
Housing and Home Finance Agency:			
College housing loans	99	140	112
Public facility loans	11	24	30
Other	−2	18	7
Department of the Interior	4	13	8
Other agencies	5	9	10
For other than public works	20	3	12
Total to State and local governments, civil	137	207	178
To foreign borrowers:			
Funds appropriated to the President: Mutual security: Economic	198	232	277
Export-Import Bank of Washington	406	325	80
Treasury Department		1,375	
Total to foreign borrowers, civil	604	1,931	357
To quasi-public institutions and trust funds:			
Farm Credit Administration	−3	4	1
Housing and Home Finance Agency	−3		
Total to quasi-public institutions and trust funds	−6	4	1
Total loans, civil	1,130	4,706	649
Major national security:			
To domestic private borrowers: Funds appropriated to the President: Expansion of defense production	−7	−9	−15
To foreign borrowers	−4	−4	−4
Total loans, major national security	−11	−13	−20
Total loans	1,118	4,693	629
Public works—sites and direct construction:			
Civil:			
Research and development facilities:			
National Aeronautics and Space Administration	17	25	35
Department of Agriculture	3	11	10
Other agencies	3	13	23
Total research and development facilities	23	48	68

	1958 actual	1959 estimate	1960 estimate
ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—sites and direct construction—Continued			
Civil—Continued			
Other than research and development facilities:			
Legislative branch	$11	$22	$56
Central Intelligence Agency	4	8	14
Federal Aviation Agency	50	120	136
Saint Lawrence Seaway Development Corporation	48	17	5
Smithsonian Institution	(1)	4	14
Tennessee Valley Authority	120	138	129
Veterans Administration	33	45	55
General Services Administration	42	104	148
Department of Agriculture:			
Commodity Credit Corporation: Grain storage facilities	(1)	35	30
Forest roads and protective facilities	33	41	33
Other	1	1	1
Department of Defense—Civil Functions:			
Rivers and harbors and flood control, Army	554	565	664
The Panama Canal	7	16	15
Other	1	1	4
Department of Health, Education, and Welfare	10	14	22
Department of the Interior:			
Bureau of Reclamation	183	214	198
National Park Service	41	67	49
Bonneville Power Administration	26	20	24
Other	33	61	53
Post Office Department	7	24	50
Department of State	16	30	22
Other agencies	8	14	25
Total other than research and development facilities	1,229	1,563	1,745
Total public works, civil	1,252	1,612	1,812
Major national security:			
Research and development facilities:			
Atomic Energy Commission	92	140	158
Department of Defense—Military Functions:			
Military construction	136	107	89
Total research and development facilities	228	248	247
Other than research and development facilities:			
Atomic Energy Commission	117	100	122
Department of Defense—Military Functions:			
Military construction (excluding infrastructure)	1,613	1,896	1,604
Other agencies	6	(1)	
Total other than research and development facilities	1,736	1,995	1,726
Total public works, major national security	1,964	2,243	1,973
Total public works—sites and direct construction	3,216	3,855	3,785
Major commodity inventories:			
Civil:			
Executive Office of the President: Office of Civil and Defense Mobilization	32	16	9
Department of Agriculture: Commodity Credit Corporation: Agricultural commodities	510	1,593	2,719
Other agencies	5	5	(1)
Total major commodity inventories, civil	547	1,614	2,728
Major national security:			
Funds appropriated to the President: Expansion of defense production	408	242	170

[1] 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]

	1958 actual	1959 estimate	1960 estimate
ADDITIONS TO FEDERAL ASSETS—Continued			
Major commodity inventories—Continued			
Major national security—Continued			
General Services Administration: Stockpiling of strategic and critical materials	$160	$57	$20
Total major commodity inventories, major national security	568	299	190
Total major commodity inventories	1,115	1,912	2,918
Major equipment:			
Civil:			
Research and development facilities	2	7	10
Other than research and development facilities:			
Department of Commerce:			
Merchant ships	11	28	31
Other	2	7	4
Treasury Department: Coast Guard	15	17	10
Other agencies	9	21	17
Total major equipment, civil	39	80	72
Major national security:			
Research and development facilities: Atomic Energy Commission	29	32	36
Other than research and development facilities:			
Funds appropriated to the President	−4	(1)	(1)
Atomic Energy Commission	19	28	29
Department of Defense—Military Functions:			
Aircraft	8,412	6,963	6,265
Missiles	2,677	3,332	3,825
Ships	1,457	1,677	1,659
Other	2,278	2,211	2,189
Working capital (revolving) funds	−364	−501	−124
Total other than research and development facilities, major national security	14,475	13,711	13,843
Total major equipment, major national security	14,504	13,743	13,878
Total major equipment	14,543	13,823	13,950
Other physical assets—acquisition and improvement:			
Civil:			
Installment purchase of real property: General Services Administration	(1)	(1)	1
Other than installment purchase of real property:			
Veterans Administration	59	60	60
Housing and Home Finance Agency	−4	11	9
Department of Agriculture	7	10	9
Department of the Interior	16	18	19
Other agencies	4	7	3
Total other than installment purchase of real property	82	106	101
Total other physical assets, civil	82	106	102
Major national security:			
Installment purchase of real property: Department of Defense—Military Functions: Working capital (revolving) funds	113	116	72
Other than installment purchase of real property:			
Atomic Energy Commission	1,432	1,644	1,684
Total other physical assets, major national security	1,546	1,760	1,756
Total other physical assets—acquisition and improvement	1,628	1,866	1,859
Total additions to Federal assets	21,620	26,149	23,142

	1958 actual	1959 estimate	1960 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES			
State and local physical assets:			
Grants-in-aid:			
For public works, research and development facilities: Department of Health, Education, and Welfare	$3	$5	$5
For public works, other than research and development facilities:			
Federal Aviation Agency	43	50	55
Department of Agriculture: Flood prevention and watershed protection	16	26	28
Department of Commerce: Forest and public lands highways [2]	25	31	----------
Department of Health, Education, and Welfare:			
School construction in federally affected areas	74	69	42
Hospital construction	47	55	58
Waste treatment works construction	17	30	30
Other	(1)	(1)	----------
Other agencies	16	18	16
Total other than research and development facilities	239	280	228
Total for public works	242	285	233
For other than public works:			
Research and development facilities	(1)	2	4
Other than research and development facilities	8	14	14
Total for other than public works	8	16	17
Total State and local physical assets, grants-in-aid [3]	251	301	250
Private physical assets, civil:			
Direct Federal programs:			
Research and development facilities:			
Department of Health, Education, and Welfare	9	15	15
Other agencies	1	2	4
Total research and development facilities	10	17	19
Other than research and development facilities:			
Department of Agriculture:			
Agricultural conservation assistance	214	231	230
Great Plains conservation program	2	6	9
Soil Conservation Service	74	86	84
Soil bank programs: Practice payments, conservation reserve	133	145	342
Commodity Credit Corporation: Loans to Secretary of Agriculture for agricultural conservation purposes	22	15	−28
Department of Commerce: Merchant ships	28	34	49
Other agencies	5	7	3
Total other than research and development facilities	477	523	689
Total direct Federal programs	487	540	708
Grants-in-aid: Other than research and development facilities:			
Department of Health, Education, and Welfare:			
Private hospital construction	58	68	70
Other agencies	2	3	2
Total grants-in-aid	60	71	72
Total private physical assets, civil	547	610	780
Education, training, and health:			
Civil:			
Direct Federal programs:			
National Science Foundation	15	51	60
Department of Health, Education, and Welfare	118	156	164

[1] Less than one-half million dollars.

[2] Expenditures for these programs are included in highway trust fund expenditures in 1960.

[3] Excludes highway construction grants of $1,493 million in 1958, $2,425 million in 1959 (estimate), and $3,015 million in 1960 (estimate) made from the highway trust fund.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1958 actual	1959 estimate	1960 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Education, training, and health—Continued			
Civil—Continued			
Direct Federal programs—Continued			
Department of the Interior	$38	$43	$46
Other agencies	15	19	19
Total direct Federal programs	186	268	288
Grants-in-aid:			
Department of Agriculture	57	62	62
Department of Health, Education, and Welfare:			
School operation in federally affected areas	104	113	130
Defense educational activities		46	54
Vocational and other education and training	90	98	105
Health and child care	74	78	74
Other agencies	8	8	4
Total grants-in-aid	333	405	429
Total education, training, and health, civil	519	673	717
Major national security: Atomic Energy Commission	13	11	13
Total education, training, and health	532	684	730
Research and development:			
Civil:			
Direct Federal programs:			
Federal Aviation Agency	4	32	39
National Aeronautics and Space Administration	72	128	245
National Science Foundation	31	49	64
Veterans Administration	12	16	12
Department of Agriculture	76	85	85
Department of Commerce	15	21	26
Department of Health, Education, and Welfare	166	211	223
Department of the Interior	44	52	54
Other agencies	13	20	22
Total direct Federal programs	433	614	770
Grants-in-aid:			
Department of Agriculture	31	32	32
Other agencies	8	7	5
Total grants-in-aid	39	39	37
Total research and development, civil	472	654	807
Major national security:			
Atomic Energy Commission	516	618	652
Department of Defense—Military Functions:			
Research and development	2,034	3,020	3,384
Military personnel	188	197	194
Working capital (revolving) funds	−44	−43	24
Total research and development, major national security	2,696	3,794	4,256
Total research and development	3,168	4,447	5,063
Engineering and natural resource surveys:			
Direct Federal programs:			
Department of Commerce	12	12	14
Department of the Interior	33	38	36
Other agencies	18	21	20
Total direct Federal programs	62	71	70
Grants-in-aid	2	3	4
Total engineering and natural resource surveys	64	74	73
Total expenditures for other developmental purposes	4,563	6,117	6,897

	1958 actual	1959 estimate	1960 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture:			
Direct Federal programs:			
Department of Agriculture:			
Commodity Credit Corporation:			
Transfer to supplemental stockpile	$84	$129	$225
Sales for foreign currency	1,073	1,049	1,033
Price support, supply, and related programs	876	583	861
Other	253	226	82
Soil bank programs: Acreage reserve	522	609	1
Sugar Act	70	68	75
Other	107	146	155
Other agencies	6	4	5
Total direct Federal programs	2,990	2,815	2,438
Grants-in-aid: Department of Agriculture:			
Removal of surplus agricultural commodities	117	144	144
Commodity Credit Corporation	124	176	158
Other	11	11	11
Total grants-in-aid	251	331	312
Total agriculture	3,242	3,146	2,750
Business:			
Civil:			
Direct Federal programs:			
Civil Aeronautics Board	38	58	63
Federal Aviation Agency	156	230	286
Department of Commerce:			
Maritime activities: Ship operating subsidies and administration	127	135	134
Patent Office	18	21	21
Other	20	29	28
Department of Defense—Civil Functions:			
Rivers and harbors and flood control: Maintenance and operation	74	78	75
Panama Canal Company	−9	−3	−12
Other	1	−2	−1
Post Office Department (excluding Government mail and nonbusiness services)	664	721	52
Treasury Department: Coast Guard: Navigation aids	144	157	162
Other agencies	5	8	7
Total civil, direct Federal programs	1,238	1,432	815
Grants-in-aid: Department of Commerce			2
Total civil	1,238	1,432	817
Major national security: Funds appropriated to the President: Expansion of defense production, administrative expenses and losses on transactions	41	58	64
Total business	1,280	1,491	881
Labor:			
Direct Federal programs:			
Temporary unemployment compensation	48	412	
Other	16	17	25
Total direct Federal programs	64	429	25
Grants-in-aid:			
Department of Labor: Administration of unemployment compensation and employment service	291	315	317
Treasury Department: Payment to unemployment trust fund	33		
Total grants-in-aid	324	315	317
Total labor	388	744	342
Homeowners and tenants:			
Direct Federal programs:			
Federal Home Loan Bank Board	−38	−43	−47
Housing and Home Finance Agency:			
Federal National Mortgage Association	−30	−62	−45

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1958 actual	1959 estimate	1960 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Homeowners and tenants—Continued			
Direct Federal programs—Continued			
Housing and Home Finance Agency—Continued			
Federal Housing Administration	−$108	−$101	−$138
Other	6	13	12
Other agencies	(1)	(1)	(1)
Total direct Federal programs	−169	−192	−219
Grants-in-aid: Housing and Home Finance Agency:			
Public housing	95	111	120
Urban renewal fund	35	76	100
Total grants-in-aid	130	186	220
Total homeowners and tenants	−40	−6	1
Veterans:			
Direct Federal programs:			
Veterans Administration:			
Readjustment benefits	731	654	528
Compensation and pensions	3,161	3,311	3,361
Hospital and medical care	804	862	870
Other	114	152	141
Department of Labor:			
Unemployment compensation for veterans	75	44	8
Other	3	3	1
Other agencies	2	3	3
Total direct Federal programs	4,890	5,029	4,912
Grants-in-aid: Veterans Administration	8	8	8
Total veterans	4,898	5,037	4,921
International:			
Civil:			
Funds appropriated to the President:			
Mutual security: Economic	1,226	1,337	1,371
Other	(1)	(1)	(1)
Export-Import Bank of Washington	−66	−82	−86
Department of Agriculture: Commodity Credit Corporation: Emergency famine relief to friendly peoples	121	106	94
Department of Commerce: Inter-American Highway	20	24	21
Other agencies	9	9	13
Total international, civil	1,310	1,394	1,412
Major national security:			
Funds appropriated to the President: Mutual security: Military assistance	2,187	2,312	1,850
Department of Defense—Military Functions: Military construction (infrastructure)	7	18	15
Total international, major national security	2,194	2,330	1,865
Total international	3,504	3,724	3,277
Other aids and special services:			
Direct Federal programs:			
Department of Health, Education, and Welfare	61	69	64
Department of the Interior	29	37	29
Department of Commerce	2	8	69
Other agencies	15	16	18
Total direct Federal programs	107	130	179
Grants-in-aid:			
Funds appropriated to the President: Disaster relief	12	11	11
Department of Agriculture: School lunch program	98	143	100

[1] Less than one-half million dollars.

	1958 actual	1959 estimate	1960 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services—Continued			
Grants-in-aid—Continued			
Department of Health, Education, and Welfare:			
Public assistance	$1,795	$1,985	$2,018
Other	1	1	2
Other agencies	(1)	(1)	1
Total grants-in-aid	1,906	2,141	2,131
Total other aids and special services	2,014	2,272	2,311
Total current expenses for aids and special services	15,286	16,407	14,483
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance, and operation of physical assets (excluding special services):			
Civil:			
Tennessee Valley Authority	−94	−102	−116
General Services Administration	150	164	169
Department of Agriculture: Forest Service	72	83	78
Department of Commerce	2	8	8
Department of Defense—Civil Functions: Rivers and harbors and flood control, Army	47	51	52
Department of the Interior	98	107	108
Other agencies	16	20	18
Total repair, maintenance, and operation, civil	290	332	317
Major national security:			
Atomic Energy Commission	49	56	51
Department of Defense—Military Functions:			
Operation and maintenance	9,890	10,391	10,385
Working capital (revolving) funds	−766	−296	−376
Total repair, maintenance, and operation, major national security	9,174	10,151	10,059
Total repair, maintenance, and operation of physical assets	9,463	10,483	10,376
Regulation and control:			
The judiciary	43	49	51
Federal Aviation Agency	17	21	24
Federal Communications Commission	8	10	10
Interstate Commerce Commission	17	20	20
National Labor Relations Board	9	13	14
Department of Agriculture	60	63	64
Department of Health, Education, and Welfare	9	11	12
Department of Justice:			
Federal Bureau of Investigation	106	111	114
Other	120	136	138
Department of Labor	11	12	12
Treasury Department	91	100	106
Other agencies	35	41	42
Total regulation and control	527	586	607
Operation and administration of other civil activities:			
International activities:			
Funds appropriated to the President	16	9	7
United States Information Agency	104	99	104
Department of State:			
International educational exchange activities	24	25	24
Contributions to international organizations	2	2	2
Other	154	208	183
Total international activities	300	343	319

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1958 actual	1959 estimate	1960 estimate
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities—Continued			
Federal financial activities:			
General Accounting Office	$35	$41	$42
Renegotiation Board and Tax Court of the United States	4	5	5
Treasury Department:			
Internal Revenue Service	322	365	363
Other	93	101	99
Total Federal financial activities	454	511	508
Other direct Federal programs:			
Legislative branch	78	84	86
Executive Office of the President:			
Office of Civil and Defense Mobilization	17	23	36
Other	9	10	10
Civil Service Commission	19	21	20
Selective Service System	27	30	29
General Services Administration	46	68	43
Department of Commerce	33	45	48
Department of Defense—Civil Functions	31	34	35
Department of the Interior	11	12	11
Treasury Department	20	21	5
Other agencies	5	7	6
Total other direct Federal programs	296	356	329
Retirement, unemployment and accident compensation for Federal employees:			
Department of Labor:			
Employees' compensation claims and expenses	60	72	62
Unemployment compensation for Federal employees	57	116	124
Other	2	5	7
Treasury Department: Coast Guard retired pay and Secret Service annuities	26	29	30
Other agencies	6	6	7
Total retirement, unemployment, and accident compensation for Federal employees	150	228	230
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and adminstration of other civil activities—Continued			
Shared revenues and grants-in-aid:			
Funds appropriated to the President			$10
Department of Agriculture	$28	$23	29
Department of the Interior	70	77	83
Treasury Department	19	20	20
District of Columbia: Federal payment	11	20	23
Other agencies	7	7	8
Total shared revenues and grants-in-aid	134	147	173
Total operation and administration of other civil activities	1,334	1,584	1,560
Other major national security operation and administration:			
General Services Administration	24	33	30
Department of Defense—Military Functions:			
Military personnel (excluding research and development)	11,430	11,711	11,740
Total other major national security operation and administration	11,454	11,744	11,770
Interest:			
On the public debt	7,607	7,500	8,000
Other interest:			
On refunds	74	92	87
On uninvested funds	8	9	9
Total other interest	82	101	96
Total interest	7,689	7,601	8,096
Total other services and current operating expenses	30,468	31,999	32,409
ALLOWANCE FOR CONTINGENCIES		200	100
Grand total	71,936	80,871	77,030

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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. Government 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 domestic business are relatively specialized, being confined to small businesses, shipping, aviation, railroads, and defense contractors; they account for only a 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 $18 billion on June 30, 1958. About one-half of this amount was domestic loans, which were only about 2% of the estimated private debt of $452 billion outstanding on that date. Private loans partly or wholly guaranteed by Federal agencies have increased nearly tenfold since 1945 to $58.5 billion, comprising 13% of total private debt.

The President has made a number of legislative recommendations affecting Federal credit programs. They are discussed in the budget message, especially on pages M15, M21–22, M52–54, M55, and M59.

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 21 major Federal credit programs.

The analysis covers major credit programs of wholly owned Government enterprises, whether corporate or nonincorporate. 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 21 programs included account for nearly all new commitments of Federal credit agencies in 1960.

Several changes in coverage have been made in this year's analysis. New railroad loan guaranties by the Interstate Commerce Commission, and direct loans for education by the Department of Health, Education, and Welfare were authorized in 1958, and are therefore included in the analysis for the first time. Liquidation of loans made by the former Reconstruction Finance Corporation is largely completed, and hence such loans are no longer included.

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 1960 are estimated at $27.5 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 $21.6 billion, or nearly 80%. Credit aids for agricultural programs account for $2.7 billion, or 10%. The sharp increase in new commitments during the 3-year period arises primarily from increased guaranties by the Veterans Administration and the Federal Housing Administration in the Housing and Home Finance Agency.

Table 1.—*Commitments and expenditures for major Federal credit programs classified by agency or program*

[In millions]

Agency or program	New commitments			Net expenditures		
	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Housing and Home Finance Agency	$10,654	$14,429	$13,594	$210	$1,017	$268
Veterans Administration	2,379	3,328	7,979	166	165	114
Department of Agriculture	2,796	4,406	2,675	−213	1,113	−614
Department of Commerce	147	86	195	4	--------	--------
Civil Aeronautics Board	5	19	20	--------	--------	--------
Interstate Commerce Commission	--------	152	150	--------	--------	--------
Expansion of defense production	162	121	95	−4	−12	−26
Small Business Administration	212	354	407	85	164	168
Department of Health, Education, and Welfare	--------	38	38	--------	14	40
Treasury Department	--------	--------	--------	--------	−51	−52
Export-Import Bank	902	1,344	1,345	413	413	236
Department of State	291	258	327	344	345	396
Development Loan Fund	102	500	698	2	123	197
Total	17,650	25,035	27,523	1,007	3,291	727
Other agencies or programs	--------	--------	--------	−36	1,375	−1
Adjustments for repayments going directly into miscellaneous receipts	--------	--------	--------	317	376	401
Adjustments for net expenditures in foreign currencies	--------	--------	--------	−170	−349	−498
Total budget expenditures	--------	--------	--------	1,118	4,693	629

As indicated in detail in table 3 below, expenditures of major credit programs will exceed receipts by $727 million in 1960, about $2.6 billion less than in 1959. The unusually high level of expenditures in 1959 arises from mortgage purchases by the Federal National Mortgage Asso-

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

ciation in the Housing and Home Finance Agency as part of the antirecession program, and price supports by the Commodity Credit Corporation in the Department of Agriculture. In 1960, decreased loan disbursements and increased repayments by these two agencies are responsible for most of the abrupt decline. These variations in expenditures for loans explain a significant part of the net change in budget expenditures during the period.

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 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 nearly 80% of total new commitments in 1960. This high proportion arises from the legal requirements or administrative policy wherever possible of making direct loans or purchasing mortgages 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 $5.7 billion for direct loans and investments in 1960 will be somewhat below the 1959 level. The Commodity Credit Corporation will be making fewer loans, mainly because of the shift in emphasis from a cotton loan to a cotton purchase program as a result of the Agricultural Act of 1958, and an anticipated decrease in 1959 crop production below 1958. Special assistance commitments by the Federal National Mortgage Association will also fall as the low-cost housing authorization was fully committed in 1959. The increase in 1960 over 1958 is accounted for by the expanded operations of the Development Loan Fund and the Export-Import Bank.

Guaranties and insurance.—New commitments for Federal guaranties and insurance of private loans are expected to increase sharply during the 3-year period, from $12.3 billion in 1958 to $21.8 billion in 1960. Commitments by the Veterans Administration loan guaranty program have been kept down because the maximum statutory interest rate has not kept pace with prevailing interest rates; the President's proposal for a more flexible rate will increase the supply of private mortgage funds available for this program. Increased housing construction in 1959 and 1960 will also increase the demand for mortgage insurance by the Federal Housing Administration.

TABLE 2.—*New commitments for major Federal credit programs classified by type of assistance, major agency or program*

[In millions]

Agency or program	1958 actual		1959 estimate		1960 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	$1,652		$1,341		$922	
Urban Renewal Administration	48	$115	113	$306	102	$271
Community Facilities Administration	267		265		270	30
Federal Housing Administration	30	7,945	50	11,485	55	11,140
Public Housing Administration	307	290	353	516	338	466
Veterans Administration	206	2,173	203	3,125	179	7,800
Department of Agriculture:						
Rural Electrification Administration	331		373		325	
Farmers' Home Administration	301	29	328	47	235	47
Commodity Credit Corporation	772	1,363	1,293	2,365	799	1,269
Department of Commerce: Maritime Administration	4	143		86		195
Civil Aeronautics Board		5		19		20
Interstate Commerce Commission				152		150
Expansion of defense production		162		121		95
Small Business Administration	186	26	288	66	334	73
Department of Health, Education, and Welfare			38		38	
Export-Import Bank	811	91	1,172	172	1,148	197
Department of State: International Cooperation Administration	291		258		327	
Development Loan Fund	102		475	25	648	50
Total by type of assistance	5,308	12,342	6,550	18,485	5,720	21,803
Grand total	17,650		25,035		27,523	

Overlap in commitments.—Total commitments may overstate by $1 billion 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.

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.

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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 and repayments in foreign currencies are included in the analysis but not generally 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 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 net expenditures 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	1958 actual		1959 estimate		1960 estimate	
	Disbursements	Repayments	Disbursements	Repayments	Disbursements	Repayments
Housing and Home Finance Agency:						
Federal National Mortgage Association	$848	$851	$1,362	$623	$1,154	$1,110
Urban Renewal Administration	39	19	76	75	82	81
Community Facilities Administration	178	2	260	3	270	54
Federal Housing Administration	35	16	27	17	24	18
Public Housing Administration	204	208	382	371	308	309
Veterans Administration	210	44	225	60	191	77
Department of Agriculture:						
Rural Electrification Administration	288	100	315	100	325	104
Farmers' Home Administration	334	279	349	256	247	267
Commodity Credit Corporation	1,993	2,449	3,696	2,891	2,232	3,047
Department of Commerce: Maritime Administration	4					
Expansion of defense production:						
Direct loans and advances	28	39	2	15		20
Guaranties of defense production loans	21	14	19	18	5	11
Small Business Administration	126	41	230	67	271	103
Department of Health, Education, and Welfare			14		41	1
Treasury Department: Loan to United Kingdom				51		52
Export-Import Bank	823	410	853	440	957	721
Department of State: International Cooperation Administration	367	23	379	34	443	47
Development Loan Fund	2		124	1	203	6
Total	5,500	4,495	8,313	5,022	6,753	6,028
Net addition to loans and investments:						
Major agencies or programs	1,007		3,291		727	
Other agencies or programs	−36		1,375		−1	
Adjustment for repayments going directly into miscellaneous receipts	317		376		401	
Adjustment for net expenditures in foreign currencies	−170		−349		−498	
Total budget expenditures	1,118		4,693		629	

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 1960, gross loan disbursements of major Federal credit programs are estimated at $6.8 billion and repayments at $6.0 billion. Net expenditures of $727 million are thus a relatively small fraction of the gross level of activity. Of the total repayments, $401 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. Net expenditures of loans in foreign currencies are estimated at $498 million. Allowing for these adjustments, together with net receipts of $1 million for relatively minor credit programs, net budget expenditures for loans will amount to an estimated $629 million. (Expenditures for these minor programs in 1959 include a nonrecurring subscription of $1,375 million to the International Monetary Fund.)

Gross disbursements in 1960 will be substantially below 1959 because emphasis in the Commodity Credit Corporation's price support for cotton will be shifted from a loan to a purchase program; the Corporation's high level of disbursements in 1959 also reflects the record 1958 crop. Increased repayments to the Commodity Credit Corporation and increased sales of mortgages, including exchanges of mortgages for Government bonds by the Federal National Mortgage Association, account for most of the increased repayments during the 3-year period.

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, the Development Loan Fund, 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 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 the outstanding loans, guaranties, and insurance in force.

Outstanding loans by the end of 1960 are estimated at $22.6 billion, about $4.1 billion more than at the end of 1958. About 40% of the increase over the 2 years is in foreign loans by the Export-Import Bank, the International Cooperation Administration, and the Development Loan Fund. Increased housing loans, especially mortgage purchases by the Federal National Mortgage Association, account for most of the remainder. Slightly less than one-half of the loans outstanding are to foreign

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borrowers, including the loan of $3.4 billion to the United Kingdom, loans of $3.6 billion by the Export-Import Bank, and $3.3 billion by the International Cooperation Administration.

Guaranties and insurance in force are estimated to increase to $82.3 billion by the end of 1960. The increase of about $24 billion since the end of 1958 reflects primarily increased guaranties and insurance 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 obligations guaranteed by 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 1960, the Government liability will be about $18.5 billion lower than the outstanding amount of such loans.

TABLE 4.—*Outstanding loans, guaranties and insurance for major Federal credit programs classified by agency or program*

[In millions]

Agency or program	1958 actual		1959 estimate		1960 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	$2,503		$3,246		$3,303	
Urban Renewal Administration	69	$131	70	$221	71	$326
Community Facilities Administration	386		643		859	10
Federal Housing Administration	295	23,408	309	32,625	329	37,673
Public Housing Administration	91	3,110	102	3,384	102	3,699
Veterans Administration	852	30,727	1,072	32,500	1,244	38,670
Department of Agriculture:						
Rural Electrification Administration	2,774		2,989		3,210	
Farmers' Home Administration	858	172	939	201	904	232
Commodity Credit Corporation	1,172	428	1,973	363	1,159	192
Department of Commerce: Maritime Administration		79		255		450
Civil Aeronautics Board		1		20		37
Interstate Commerce Commission				120		262
Expansion of defense production	244	351	231	323	204	287
Small Business Administration	232	48	396	73	564	96
Department of Health, Education, and Welfare			14		54	
Treasury Department: Loan to United Kingdom	3,470		3,419		3,367	
Export-Import Bank	2,987	56	3,401	30	3,637	265
Department of State: International Cooperation Administration	2,519		2,864		3,260	
Development Loan Fund	2		125	25	322	75
Total by type of assistance	18,454	58,515	21,793	70,140	22,589	82,274
Grand total	76,969		91,933		104,863	

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 19 major credit programs which will need additional authority during the period. New commitment authority required for 1960 is estimated at $11.6 billion, compared to $13.1 billion in 1959. The Federal Housing Administration will require considerably less new insurance authority in 1960 because the proposed change to an indefinite authorization makes it necessary to provide new authority only for the excess of net commitments over the unused authority available from prior years. On the other hand, the authority required by the Veterans Administration will increase with the expected rise in the number of loans guaranteed from 250,000 in 1959 to 600,000 in 1960, arising from the increased availability of private funds with the more flexible interest rates proposed.

TABLE 5.—*New commitment authority for major Federal credit programs classified by type of authorization, agency, or major program*

[In millions]

Agency or program	1958 actual		1959 estimate		1960 estimate	
	Budget authorizations	Other	Budget authorizations	Other	Budget authorizations	Other
Housing and Home Finance Agency:						
Federal National Mortgage Association	$3,015					
Urban Renewal Administration						$94
Community Facilities Administration	175		$200			100
Federal Housing Administration		$4,024		$6,043		2,447
Public Housing Administration		135		250		260
Veterans Administration:						
Direct loans	50		150		$150	
Loan guaranties and insurance		1,148		1,625		4,150
Department of Agriculture:						
Rural Electrification Administration	239		409		215	
Farmers' Home Administration	209	150	209	150	173	150
Commodity Credit Corporation	1,240		1,760		2,110	
Civil Aeronautics Board		5		17		18
Interstate Commerce Commission				500		
Expansion of defense production:						
Direct loans and advances			325			
Guaranties of defense production loans		120		97		78
Small Business Administration	120	19	200	49	200	54
Department of Health, Education, and Welfare			38		38	
Export-Import Bank	2,000	3		130		140
Department of State: International Cooperation Administration	136	210	61	270	n. a.	481
Development Loan Fund	300		625		700	
Total by type of authorization	7,484	5,814	3,977	9,131	3,586	7,972
Grand total	13,298		13,108		11,558	

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

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FEDERAL CREDIT PROGRAMS—Continued

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 1960, new commitment authority is requested for only nine major programs—the Rural Electrification Administration, the Farmers' Home Administration, the Small Business Administration, the Community Facilities Administration, the Federal Housing Administration, the Department of Health, Education, and Welfare, the Veterans Administration, the Development Loan Fund, 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. The President is also recommending the removal of limits on the general mortgage insurance authority of the Federal Housing Administration (excluding armed services housing). In these cases, the tabulations show new authorizations equal to the net amount of the guaranteed or insured portion of new commitments.

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 price-support program. Its total new obligational authority for price support operations 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 are 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, under present law, 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. The most important examples are the direct loan programs of the Rural Electrification Administration and the direct loan and insurance programs of the Farmers' Home Administration. The President has proposed that these programs be put on a revolving-fund basis.

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 1960; 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.

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FEDERAL CREDIT PROGRAMS—Continued

Table 6.—*Status of credit authority for major Federal credit programs classified by agency or program*

[In millions]

	1958 actual	1959 estimate	1960 estimate								
			1960 total	Housing and Home Finance Agency	Veterans Administration	Department of Agriculture	Expansion of defense production	Small Business Administration	Transportation loans [1]	Department of Health, Education, and Welfare	International loans [2]
Cumulative net commitment authority at beginning of year:											
Definite limitation	$56,068	$67,163	$38,445	$14,920	$930	$8,689	$500	$524	$1,500	$38	$11,344
Indefinite limitation	23,125	23,683	60,403	38,612	17,935	----------	366	65	20	----------	3,405
New commitment authority during year:											
Definite limitation	11,498	10,566	3,836	100	150	2,648	----------	200	----------	38	700
Indefinite limitation	1,800	2,542	7,722	2,801	4,150	----------	78	54	18	----------	621
Adjustments	−1,645	−5,106	−6,603	−564	−1,173	−4,394	−331	−35	−13	−1	−92
Cumulative net authority at end of year	90,846	98,848	103,807	55,869	21,992	6,943	613	808	1,525	75	15,982
Cumulative charges against authority:											
Loans and investments:											
Outstanding	18,454	21,793	22,587	4,664	1,244	5,273	204	564	----------	54	10,586
Undisbursed commitments	4,564	5,132	5,076	1,227	65	853	----------	111	----------	21	2,799
Guaranties and insurance:											
In force	44,700	54,769	63,690	41,708	20,183	424	223	67	745	----------	340
Commitments outstanding	6,342	5,125	4,978	4,265	500	10	105	16	82	----------	----------
Total charges against authority	74,060	86,820	96,335	51,864	21,992	6,560	532	758	827	75	13,727
Uncommitted authority, end of year	16,786	12,028	7,472	4,005	----------	383	81	50	698	----------	2,255

[1] Includes Department of Commerce (Maritime Administration), Civil Aeronautics Board, and Interstate Commerce Commission.

[2] Includes Export-Import Bank, Treasury Department (loan to the United Kingdom), State Department (International Cooperation Administration), and the Development Loan Fund.

Credit authority available at the beginning of 1960 is estimated at $98.8 billion (see table 6). New commitment authority of $11.6 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 $6.6 billion. The net authority available at the end of 1960 is, therefore, estimated at $103.8 billion.

Charges against authority.—In addition to the $86.2 billion of outstanding loans and guaranties (shown in detail in table 4 but excluding here the portion of those private loans not guaranteed or insured by the Federal Government which do not constitute a charge against the authority), charges against the available authority include undisbursed commitments. These are expected to total $10.1 billion on June 30, 1960, for loans and guaranties together.

Uncommitted authority.—For major Federal credit programs as a whole, commitment authority at the end of 1960 is estimated to exceed charges against the authority by $7.5 billion. Of this unused authority, 53% is accounted for by several programs administered by the Housing and Home Finance Agency, including $2.3 billion in unused Treasury borrowing authority of the secondary market activity of the Federal National Mortgage Association. A reduction of $2.4 billion in uncommitted authority of the Federal Housing Administration accounts for about half of the decline of uncommitted authority between 1959 and 1960.

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. As a result of the President's proposal to remove the limits on the insurance authority of the Federal Housing Administration in 1960, the cumulative authority subject to definite limitation will decrease to 44% in 1960. However, this includes almost all programs involving major budget expenditures.

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.

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FEDERAL CREDIT PROGRAMS—Continued

TABLE 7.—*Outstanding loans for major quasi-public credit programs classified by agency and program*

[In millions]

Agency	June 30, 1957	June 30, 1958
Farm Credit Administration:		
Banks for cooperatives	$384	$408
Federal intermediate credit banks	999	1,227
Federal land banks	1,870	1,989
Federal Home Loan Bank Board: Federal home-loan banks	1,079	929
Federal Reserve Board of Governors: Federal Reserve banks	559	42
Housing and Home Finance Agency: Federal National Mortgage Association (secondary market operations)	1,248	1,394
Total	6,139	5,989

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, provision was made for the retirement of Government capital in the banks and for their eventual ownership by the production credit associations.

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 reasonable 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. Authority for a small program of direct loans to industry was repealed in 1958. The amount of discounts, advances, and industrial loans outstanding on June 30, 1958, was $42 million with discounts and advances low on that date. By October 31, they were $407 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.

Federal National Mortgage Association.—Since 1954, the Federal National Mortgage Association has comprised 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 $950 million outstanding at any one time. This authority in 1959 and 1960 will be largely directed toward supporting mortgages on housing in urban renewal areas and for the relocation of displaced families. The Association has, in addition, $500 million commitment authority for mortgages on military family housing, $200 million for cooperative housing, and $1 billion for low-cost housing. The entire low-cost housing authorization has been committed and no new commitments are projected for 1960. Commitments for armed services family housing mortgages will drop sharply to an estimated $15 million annually in 1959 and 1960, since these needs are now being met largely with private financing. Total mortgage purchase commitments under the special assistance program are estimated to recede from $949 million in 1958 and $926 million in 1959 to $437 million in 1960. The mortgage portfolio at the end of 1960 is estimated at $1.6 billion.

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 were completed in 1958. Mortgage sales are estimated at $10 million during 1959 and $335 million in 1960. Sales during the latter year will be effected through the exchange of mortgages for privately held Treasury bonds. The mortgage portfolio at the end of 1960 is estimated at $1.6 billion.

The secondary mortgage market operations of the Association are partially privately owned and therefore are reflected in trust expenditures, rather than budget accounts. 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 $2,250 million of these. Mortgage purchases are expected to increase to $663 million in 1960 over purchase levels of $550 million in 1958 and $527 million in 1959. Mortgage sales are estimated to decline from $375 million in 1958 to $95 million in each of the years 1959 and 1960. At the end of 1960 the portfolio of mortgages held will total $2.2 billion. In 1960, as well as 1958 and 1959, purchases will be financed mainly from debentures and stock sold privately, with no net change in Government investment.

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FEDERAL CREDIT PROGRAMS—Continued

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. Legislation is being proposed to clarify the intent of the statute that guaranteed private financing be used to the maximum extent practical and to authorize Treasury borrowings in excess of $1 billion with the approval of the President if necessary to meet guaranty commitments. Other legislative changes would authorize Federal guaranties for financing certain nonresidential projects not eligible for grants.

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. Total commitments for loans and guaranties are estimated at $419 million in 1959 and $373 million in 1960, compared to $163 million in 1958; about 70% of these are for guaranties. Net loan expenditures are expected 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.

The current interest rate on temporary direct loans is 3⅞%. 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. Legislation will be proposed to increase the Treasury borrowing authorization by $200 million, for use during the balance of the current year. For 1960, legislation will be requested to: (1) exclude public institutions, which because of the tax-exempt nature of their obligations, are able to borrow from private sources at rates approaching those paid by Treasury on borrowings of comparable maturity; (2) guarantee private loans made to colleges which issue taxable obligations; and (3) permit increases in interest rates on direct loans sufficient to cover the cost of money to the Treasury, administrative expenses and losses. No new obligational authority will be requested for 1960; commitments for direct loans in the amount of $54 million will be made from funds available through repayments and the sale of bonds in the portfolio.

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 communities with a population of less than 10,000. Commitments under this program are estimated at $25 million in 1959 and $34 million in 1960. 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 4⅞% 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% 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 $23 billion in 1958 to $38 billion by the end of 1960.

In 1960 it is estimated that commitments will be made for insurance of mortgages on 858,500 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. Legislation is proposed to increase the general insurance authorization by $6 billion in 1959 and to provide for the removal of limits on insurance authority for 1960 and later years. The authority to insure property-improvement loans would be made permanent. Legislation is also proposed to permit increases, if necessary, in interest rates for rental housing mortgages, as well as for cooperative housing mortgages and armed services housing mortgages, and to broaden the authority for other insurance programs.

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. The volume of temporary financing will increase somewhat in the current year as a result of the larger number of units in development and decrease slightly in 1960 with the expiration of the authorization for additional annual contribution contracts.

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

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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 $2.3 billion at the end of 1958 to $2.7 billion by the end of 1960, reflecting the completion and permanent financing of units started in earlier years.

On direct Federal loans, local authorities paid in December 1958 an interest rate of 3.125%. In the past year, interest rates on private guaranteed temporary loans averaged 1.748%, while guaranteed long-term loans had an interest cost of approximately 2.887%.

VETERANS ADMINISTRATION

This analysis includes the loan guaranty and insurance programs, and the direct housing-loan program. 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, 1960, but the authority for veterans of the Korean conflict continues until 1965.

The maximum interest rate on guaranteed loans is designated by the Administrator of Veterans Affairs within limits set by law. The current rate of 4¾% 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 limited. To meet this problem, the President proposes legislation to provide administrative discretion to set the interest rate on veterans loans on the same basis as the rates on similar loans insured by the Federal Housing Administration.

Up to June 30, 1958, approximately 5,425,000 loans of all types had been guaranteed, of which 95% were for homes, 4% for businesses, and 1% for farms; housing loans currently account for approximately 99% of new commitments. Under the more flexible interest rate proposed, it is estimated that the number of loans guaranteed annually will increase from about 250,000 in 1959 to 600,000 in 1960. There is no statutory limit on the aggregate amount of loans. It is estimated that approximately $39 billion will be outstanding by the end of 1960.

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, 1958, amounted to about $42 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, the Administrator of Veterans Affairs may make loans directly to veterans for the purchase, construction or improvement of homes (including farm housing). The statutory interest ceiling is 4¾%, but the President's proposal for more flexible rates on guaranteed loans would also have the effect of varying the direct loan rate. Loans outstanding amounted to $692 million on June 30, 1958. In view of the more flexible interest rate proposed for guaranteed loans, the number of new direct loans in 1960 is expected to decline from the high levels of 1958 and 1959. No new commitments can be made after July 25, 1960, 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 1960 will be $325 million; this is a reduction of $48 million from 1959, arising primarily from the President's legislative proposal to assist borrowers to obtain private financing. Most of the loan disbursements in 1960 will arise from commitments made in previous years; undisbursed commitments of $847 million at the end of 1960 will be reflected in disbursements in later years.

Interest rates are set by statute at 2%, substantially below the present cost of long-term money to the Treasury of about 3¾% Administrative expenses are financed by a separate appropriation. The President recommends that the 2% rate be replaced by a rate which will cover the current cost to the Treasury of equivalent term borrowing plus other reasonable costs. Collections of principal and interest are deposited in miscellaneous receipts of the Treasury, but the President recommends that the Administration be shifted to a revolving-fund basis, with repayments becoming available for new loans.

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 1960, compared with $269 million in 1959. The reduction reflects an anticipated increase in private lending.

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 recently increased interest rates on insured farm ownership and soil and water loans from 4½% to 5%, which is the statutory maximum; of this, one-half of 1% represents insurance premiums and one-half of 1% a charge for administration.

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FEDERAL CREDIT PROGRAMS—Continued

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, but the President recommends a shift to a revolving-fund basis.

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 1960 are expected to be $49 million, which is $10 million less than in 1959, and repayments are estimated to exceed disbursements in both 1959 and 1960.

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 at prices 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 1960 in the Corporation's existing borrowing authority of $14.5 billion. However, new authority to incur obligations of $3.4 billion is requested for 1960, which includes $2.1 billion to restore the capital impairment of the Corporation resulting from price support losses and $1.3 billion to reimburse the Corporation for estimated costs and losses under other programs financed through that agency, such as the sales of surplus agricultural commodities for foreign currencies.

New loan and loan guaranty commitments in 1960 are estimated at $2,068 million, which is $1,590 million less than the estimate for 1959. This reduction reflects mainly the shift in emphasis from a loan to a purchase program in the case of cotton, as a result of the Agricultural Act of 1958. Repayments of direct loans in 1960 are estimated at $3,047 million, $815 million more than estimated disbursements.

There are no statutory limits on interest rates. Interest rates on 1958 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. For loans disbursed by private lending agencies a certificate of interest is issued by the Corporation with an interest rate of 2½%.

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 Government may insure up to 100% of the amount of the ship mortgage. The aggregate unpaid principal amount of insured mortgages and loans outstanding at any one time may not exceed $1 billion.

Because of the acceleration of the ship replacement program for the merchant marine, insured loans in force will increase from $79 million in 1958 to an estimated $450 million in 1960.

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-eighths 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

The Civil Aeronautics Board is authorized under Public Law 85–307 to guarantee loans for aircraft purchases by local service and other small airlines. Twenty-nine 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 improve service and efficiency. New commitments in 1960 are estimated at $20 million. The authority of the Board to guarantee these loans will expire in 1962.

A guarantee fee of .375% of the unpaid balance of the guaranteed portion of the loan is charged to reimburse the Government for the costs of the program's administration.

INTERSTATE COMMERCE COMMISSION

The Transportation Act of 1958 authorizes the Interstate Commerce Commission to guarantee against loss of principal or interest, either in whole or in part, loans to railroads to finance the acquisition, construction, or maintenance of road, property, or equipment. The aggregate principal amount of loans guaranteed is limited to $500 million. The authority will expire on March 31, 1961, except for applications then pending.

There is no statutory ceiling on the interest rate private lenders may charge, but the Commission is required to find that the rate is not unreasonably high. A guaranty may be granted only if necessary funds on reasonable terms are not otherwise available, and if there is reasonable assurance of repayment.

No loans have yet been guaranteed. The budget assumes new commitments of $150 million in 1960. The statute provides for a guaranty fee, which shall not exceed the administrative expenses of the program. Actual rates for this fee have not yet been established.

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SPECIAL ANALYSIS E—Continued

FEDERAL CREDIT PROGRAMS—Continued

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. Several agencies participate in these programs.

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 1958, more than 1,500 V-loans, totaling $3.1 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 $95 million in 1960, compared to $121 million in 1959 and $162 million in 1958.

To cover administrative expenses and possible losses, charges are made for guaranties, the rate depending upon the portion of the loan guaranteed. This portion 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 $196 million by the end of 1960. No new commitments were made in 1958 and none is expected in 1959 and 1960, since most of the planned expansion is already underway. The new authority of $325 million requested for 1959 will be used to finance nonlending activities exclusively.

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, was strengthened considerably in 1958 when it became a permanent agency of the Government, and when the Small Business Investment Act broadened its authority substantially. The agency has four basic loan programs: (*a*) loans to small businesses; (*b*) loans to victims of disasters; (*c*) purchases of debentures of and loans to small business investment companies; and (*d*) loans to State and local development companies. In addition, it is liquidating some of the loans made by the former Reconstruction Finance Corporation.

The Small Business Act authorizes business loans up to a total of $500 million outstanding at any one time, and an increase of $200 million is recommended so that loans may continue to be made in 1960. The maximum loan to any one borrower is $350,000, 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 participation from private banks cannot be secured. Two-thirds of the loans made so far have been made jointly with private banks. The law provides for an interest rate of no more than 5½%, which is the current rate. It is anticipated that 6,900 loans will be approved in 1960 and 6,260 in 1959, compared with 4,014 in 1958.

The Administrator has broad authority to make loans to victims of disasters in areas which he has so 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. Disaster loans may have maturities up to 20 years. Interest rates are set by law at not to exceed 3%.

The Small Business Investment Act authorizes the Administration to purchase subordinated debentures of small business investment companies up to a maximum of $150,000 for each such company. In addition, the agency may lend to small business investment companies up to 50% of the paid-in capital and surplus of the company. No legislative limitation is placed on the interest rates charged, but a rate of 5% has been established administratively. The maximum maturity has been fixed administratively at 20 years; in the case of loans, it may be extended for longer periods. New commitments in 1960 are estimated at $57.5 million, compared to $40 million in 1959.

The Small Business Investment Act also authorizes loans to State and local development companies. The amount of general purpose loans to State development companies may not exceed the total amount borrowed and outstanding by such a company from other sources. Interest rates and maximum maturities are not limited by statute, and have been fixed administratively at 5% and 20 years, respectively. Loans may also be made to State and local development companies for plant construction, conversion and expansion, if they assist an identifiable small-business concern. The maximum amount of such loans is $250,000 for each concern. Participation by private sources and by the development company itself

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in such financing is encouraged, and the agency will make loans only if funds are not available from these sources. The interest rate is fixed administratively at 5½%, and the statutory maximum maturity is generally 10 years. New commitments for this program in 1960 are estimated at $15 million, compared to $10 million in 1959.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education.—Title II of the National Defense Education Act of 1958 (72 Stat. 1580–1605) authorizes the Commissioner of Education to enter into agreements with institutions of higher education to establish student loan funds. The Federal capital contribution provides up to 90% of these funds, with the remainder by the institutions. The funds are used for loans to students needing financial assistance to continue their education. The interest rate is set by statute at 3%. Loans are repayable over an 11-year period beginning 1 year after the borrower ceases to be a full-time student. Up to 50% of a loan, plus interest, will be canceled if the borrower becomes a teacher in a public elementary or secondary school.

In 1967 the balances in the funds will be distributed; the Federal Government will receive an amount proportional to its contribution. Thereafter, additional amounts repaid to the fund will be distributed in a similar manner.

The Commissioner is also authorized to make loans to institutions for all or part of their required capital contribution, if they are unable to secure funds from other sources on reasonable terms. Such loans have a maximum maturity of 15 years, with an interest rate adequate to cover (*a*) the cost of funds to the Treasury, (*b*) the cost of administration, and (*c*) probable losses.

Also authorized by the National Defense Education Act are loans to nonprofit, private elementary and secondary schools for the acquisition of equipment for science, mathematics, and foreign language instruction. Such loans may not exceed a maturity of 10 years and bear an interest rate equal to the current average yield on all outstanding marketable obligations of the United States plus one-quarter of 1%.

New commitments for the three programs are estimated at $38 million for both 1959 and 1960. Of this, $30 million is for Federal contributions to student loan funds. Expenditures will increase from $14 million in 1959 to $40 million in 1960.

TREASURY DEPARTMENT

The only credit program administered by the Treasury Department and included in this analysis is 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 Director of Civil and Defense Mobilization; however, no new loans for civil defense purposes have been made since December 1955, and none are anticipated for 1959 and 1960. Treasury is also liquidating several other loan programs, including part of the former Reconstruction Finance Corporation.

Loan to the 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 payment and the repayment of principal for 1958 were deferred to provide relief for the United Kingdom from international exchange pressures. It is anticipated that payments for 1959 and 1960 will be made on schedule.

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 $7 billion; of this, $100 million may be used to insure American exporters against certain risks of expropriation and confiscation. 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 to develop 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.

In 1958, the bank started making loans in certain foreign currencies to private firms for economic development and trade expansion. The foreign currencies 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 guarantees of private loans, rather than the making of loans directly. The high level of domestic demand for private capital has restricted private participation, but greater success in obtaining private financing for loans covered by the bank's guaranty is anticipated in 1959 and 1960.

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 5% 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 $509 million on June 30, 1958, have been set aside for future contingencies. Annual dividends in lieu of interest are being paid to the Treasury at the rate of 2¼% on capital stock.

New commitments of $1,345 million are anticipated in 1960, about the same as in 1959; of this, $140 million is in foreign currencies and is, therefore, not reflected in budget expenditures. Net expenditures will decline to $236 million as a result of increased repayments including sale of part of the portfolio to private investors. Excluding foreign currency transactions, the excess of new loans over repayments in 1960 will be $86 million. This can be entirely financed from net operating revenues without requiring further borrowing from the Treasury.

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FEDERAL CREDIT PROGRAMS—Continued

DEPARTMENT OF STATE

The International Cooperation Administration in the Department of State makes loans under the Agricultural Trade Development and Assistance Act, 1954, as amended (Public Law 480), and under the mutual security program.

Under title I of the Agricultural Trade Development and Assistance Act, 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 also makes 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 one-third of the loans 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 35 years, which includes a grace period of approximately 7 years on repayment of principal. Current mutual security loans generally are made for a period of 30 to 40 years, and basic materials development loans are for 10 to 20 years.

Interest rates for both programs are determined by the Administration upon advice of the National Advisory Council on International Monetary and Financial Problems. Most of the older loans carry an interest rate of 2½%. In the case of most current loans, the borrower may choose to repay in dollars or in local currencies. The current interest rate is 3½%; it is generally equal to the Treasury cost of borrowing for securities with comparable maturities.

New commitments of $327 million are estimated for 1960, all of this in foreign currencies, representing a substantial increase over 1959. This total does not include any estimate for new loans in 1960 under the mutual security program, which committed $136 million in 1958.

DEVELOPMENT LOAN FUND

The Development Loan Fund is a new source of financing for economic development abroad, authorized by the Mutual Security Act of 1957. It makes loans and guarantees loans to governments of underdeveloped nations or to organizations and persons therein. The fund was incorporated in 1958 (Public Law 85–477).

A total of $700 million has been appropriated for 1958 and 1959; an additional $225 million is included in the budget for 1959 and $700 million for 1960. Loans are repayable in either dollars or local currency, as particular circumstances may dictate. It is anticipated that loans will average a period of 20 years' duration. Interest rates are determined by the board of directors upon advice of the National Advisory Council on International Monetary and Financial Problems, and range from 3½% to 6%.

As of June 30, 1958, the Development Loan Fund had entered into 6 loan agreements involving 5 countries. The first repayments of loans will begin during 1959, but will not reach appreciable amounts until 1960.

Cost of administering the loan program is financed from the loan funds appropriated to the agency.

New commitments are expected to increase from $102 million in 1958 to $500 million in 1959 and $698 million in 1960, almost entirely in dollars. Net expenditures will reach $197 million in 1960.

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Special Analysis F

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION

To carry out the functions prescribed by law, Federal, State, and local governments require a wide variety of structures ranging from schools, hospitals, and roads to multipurpose dams and military bases. The Federal Government provides for some of these facilities by direct construction. In addition, some State and local projects are aided by Federal grants and loans. Federal public works expenditures, therefore, indicate the magnitude of a segment of long-term capital investment which is important to the construction industry and to the economy as a whole. The Federal Government also provides assistance for private capital facilities through loans, loan guaranties, tax concessions, and lease contracts; however, Federal budget expenditures in connection with these programs are not an adequate measure of the volume of construction activities stimulated by such aid.

This special analysis gives major emphasis to Federal expenditures for public works, although some data are included relating to Federal programs affecting private construction.

Most public works are built by the private construction industry under contracts with public agencies. For direct Federal construction, the Federal disbursements shown in this analysis approximate the value of work put in place. In the case of State and local construction, however, Federal grant and loan disbursements may precede or follow the work put in place.

Direct Federal construction currently constitutes more than 6% of the total value of new construction. State and local public works benefiting from Federal aid represent another 7%, nearly two-thirds of which is financed from Federal grants. The Federal share varies substantially among the grant programs, depending upon the program objectives and provisions of law.

Table 1 summarizes Federal budget and trust fund expenditures for public works for the years 1951 through 1960.

Total Federal public works expenditures are currently at a level higher than that in any year since World War II, and are expected to increase further in the fiscal year 1960 to a total of $7.2 billion. Civil public works expenditures will increase by almost $700 million from the 1959 level, largely as a result of the expanding Federal-aid highway program financed from trust funds. This program accounts for about 42% of total public works expenditures in 1960. In addition, combined expenditures for water resources projects of the Corps of Engineers and the Bureau of Reclamation are expected to reach a record level in 1960, as construction progresses on work underway. Construction of military facilities of the Department of Defense, which makes up almost one-fourth of total public works expenditures in 1960, will be $310 million below the 1959 total, as the initial phase of construction for the dispersal of the Strategic Air Command bomber forces is scheduled to be completed in 1959.

Table 1.—*Federal expenditures for public works, fiscal years 1951–60*

[From budget accounts and trust funds. In millions]

Program	1951	1952	1953	1954	1955	1956	1957	1958	1959 estimate	1960 estimate
Civil public works:										
Budget expenditures:										
Federal construction	$1,333	$1,329	$1,421	$1,270	$1,024	$867	$1,075	$1,252	$1,612	$1,812
Grants to State and local governments	484	570	734	720	776	889	150	242	285	233
Loans to State and local governments, net	145	163	12	−403	−85	26	65	117	204	166
Trust fund expenditures:										
Federal construction	8	1	1	4	1	2	1	2	17	16
Grants to State and local governments							953	1,493	2,425	3,015
Total, civil public works	1,970	2,063	2,168	1,592	1,716	1,784	2,243	3,106	4,543	5,242
Major national security public works:										
Budget expenditures:										
Military and related public works	424	1,814	1,933	1,721	1,621	2,076	1,986	1,754	2,003	1,693
Atomic energy plants and facilities	479	1,071	1,054	1,085	787	243	263	210	240	280
Total, major national security public works	903	2,885	2,987	2,806	2,408	2,319	2,249	1,964	2,243	1,973
Total, Federal public works	2,873	4,948	5,155	4,398	4,123	4,103	4,492	5,070	6,786	7,215

Note.—In this and the following text tables nonconstruction costs are excluded; proposed legislation is included for the estimated years 1959 and 1960. Totals may not add because of rounding.

Federal expenditures for capital improvements of cooperatives and nonprofit groups are not included in the public works totals but are listed in table 8; they are estimated at $489 million in 1960, including loans of $399 million.

Civil Public Works

"Civil public works," as used in this analysis, relates to construction required for Federal civil programs as distinguished from those required for national security. The term encompasses flood control, navigation and irrigation projects, veterans hospitals, public buildings, and other construction undertaken directly by the Federal Government, as well as grants and loans to State and local governments for highways, hospitals, waste treatment works, and other facilities. Federal expenditures for civil public works, by agency, from budget accounts and trust funds for the years 1958 through 1960 are summarized in table 2.

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Table 2.—*Expenditures and 1960 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, 1960 estimate
	1958 actual	1959 estimate	1960 estimate	
BUDGET ACCOUNTS				
Federal construction:				
Architect of the Capitol	$11.3	$21.6	$54.7	
Federal Aviation Agency	49.9	120.4	143.1	$150.7
National Aeronautics and Space Administration	17.2	25.0	35.0	57.8
General Services Administration	42.3	103.9	148.3	43.2
Veterans Administration	32.9	45.0	55.0	20.2
Saint Lawrence Seaway	47.9	17.3	4.5	
Tennessee Valley Authority	120.3	138.0	129.0	6.5
Department of Agriculture	37.4	87.4	73.2	40.9
Corps of Engineers, Army	553.5	564.8	663.9	710.9
Department of Health, Education, and Welfare	11.9	18.3	28.8	10.7
Department of the Interior:				
Bureau of Reclamation	183.0	214.3	198.2	208.7
Bonneville Power Administration	25.5	20.2	23.6	25.0
Bureau of Indian Affairs	20.5	37.7	35.1	29.0
National Park Service	41.1	67.4	48.9	44.4
Other	12.8	25.8	19.9	8.9
Post Office	7.0	24.5	49.8	92.5
Department of State	15.8	30.0	22.5	7.8
Other	21.9	50.1	78.6	46.0
Total, Federal construction	1,252.1	1,611.7	1,812.1	1,503.2
Grants to State and local governments:				
Federal Aviation Agency	42.9	49.9	54.6	65.0
Soil Conservation Service	16.5	25.9	27.8	23.7
Office of Education	74.4	69.4	41.8	30.6
Public Health Service	67.2	90.3	92.5	70.0
Other	41.5	49.5	16.1	17.5
Total, grants	242.4	285.0	232.8	206.8
Loans to State and local governments, net:				
Housing and Home Finance Agency	107.3	181.6	147.9	7.0
Bureau of Reclamation	.3	9.7	6.8	
District of Columbia	2.0	6.0	7.4	35.4
Other	7.2	6.9	3.9	1.0
Total, loans	116.8	204.3	166.0	43.4
Total, budget accounts	1,611.3	2,100.9	2,211.0	1,753.5
TRUST FUNDS				
Federal construction	1.7	16.6	16.0	5.6
Grants, Bureau of Public Roads	1,493.2	2,425.4	3,015.4	3,433.5
Total, trust funds	1,495.0	2,442.0	3,031.4	3,439.1
Total, civil public works	3,106.3	4,542.9	5,242.4	5,192.6

CONTINUING AND NEW WORK

Civil public works activities in 1960 are shown in table 3 according to whether they will be continuing or newly undertaken. The table also indicates the total cost and the amount required to complete the projects expected to be underway in 1960.

By far the greater portion of budget expenditures in 1960 for civil public works will be for continuation of work started in prior years. In 1958 and 1959, increases were provided in various public works programs, partly to combat the recession. The programs included direct construction for water resources projects, air navigation facilities, public buildings, and roads and structures in the national parks system and national forests, and on Indian lands. Some of the federally aided programs were also expanded, such as highways, health facilities and college housing.

Table 3.—*Estimated cost of the 1960 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, 1959	1960 estimate	Required to complete
BUDGET ACCOUNTS				
Continuing work:				
Federal construction:				
Corps of Engineers, Army	$8,021.4	$3,303.6	$654.4	$4,063.4
Bureau of Reclamation	3,836.3	2,431.2	196.1	1,209.0
Tennessee Valley Authority	746.3	309.5	128.4	308.4
Forest Service	382.4	206.5	25.9	150.0
National Park Service	161.7	39.5	34.3	87.9
Bureau of Indian Affairs	399.4	144.7	26.4	228.3
Veterans Administration	220.7	84.9	46.6	89.2
National Aeronautics and Space Administration	120.2	23.0	33.0	64.2
General Services Administration	277.2	49.9	112.1	115.2
Federal Aviation Agency	364.8	128.8	117.2	118.8
Architect of the Capitol	166.5	68.4	54.7	43.4
Other	1,046.4	601.0	217.6	227.8
Total, Federal construction	15,743.3	7,391.0	1,646.7	6,705.6
Grant commitments:				
Airports	201.0	49.9	54.6	96.5
Hospitals and health facilities	605.7	425.0	60.7	120.0
Waste treatment works	140.0	47.7	30.0	62.3
Schools in federally affected areas	165.6	84.6	40.4	40.6
Watershed protection and flood prevention	491.6	133.3	27.8	330.5
Other	33.8	11.3	16.0	6.5
Total, grants	1,637.7	751.8	229.5	656.4
Total, continuing work	17,381.0	8,142.8	1,876.2	7,362.0
New projects, features, and commitments in 1960:				
Federal construction:				
General Services Administration	41.6		15.0	26.6
Federal Aviation Agency	160.2		25.9	134.3
National Aeronautics and Space Administration (proposed)	57.8		2.0	55.8
National Park Service	76.9		13.5	63.4
Bureau of Indian Affairs	15.3	.5	7.8	7.0
Post office	21.0		21.0	
Other	119.7	1.3	39.2	79.2
Total, Federal construction	492.5	1.8	124.4	366.3
Grant commitments:				
Airports	65.0			65.0
Hospitals and health facilities	50.0		1.8	48.2
Waste treatment works	20.0			20.0
Schools in federally affected areas	30.6		1.5	29.1
Total, grants	165.6		3.3	162.3
Total, new projects, features, and commitments	658.1	1.8	127.7	528.6
Advance planning:				
Corps of Engineers, Army	25.5	14.6	9.5	1.4
Bureau of Reclamation	36.3	20.5	2.1	13.7
Veterans Administration	19.0	4.1	2.9	12.0
National Park Service	19.3	5.7	1.2	12.4
General Services Administration [1]	95.2	55.2	21.2	18.8
Other [1]	10.1	3.3	4.2	2.6
Total, advance planning	205.4	103.4	41.1	60.9
Loan commitments, net:				
Housing and Home Finance Agency:				
College housing			111.6	
Other			36.3	
Bureau of Reclamation			6.8	
Other			11.3	
Total, loans			166.0	
TRUST FUNDS				
Federal construction: Buildings	40.9	18.2	16.0	6.7
Grants: Bureau of Public Roads	29,373.8	2,348.5	3,015.4	24,008.9
Total, trust funds	29,414.7	2,366.7	3,031.4	24,015.6
Total, civil public works, budget accounts and trust funds			5,242.4	

[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

In view of the large volume of funds required to finance the current record level of civil works construction and the urgent requirements for national security and other civil programs, the 1960 budget does not provide additional funds for starting construction of new public works projects in a number of programs. In addition, some civil works construction programs will be stretched out where this can be done without stopping work. Despite such economies, expenditures for civil public works are estimated at a record $5.2 billion in 1960. The increase results largely from commitments on civil works programs and projects started in earlier years.

INVESTIGATIONS AND STATUS OF PLANNED AND AUTHORIZED PROJECTS

To assure economical design and construction of public works, adequate basic data, comprehensive investigations and surveys, and detailed project planning are required. Construction expenditures shown in this analysis do not include costs of basic data collection and preliminary surveys, but they do include detailed project planning costs.

Basic data.—Federal programs for the collection of basic data serve a wide variety of civil and national security purposes. A total of $64 million is recommended for the collection of general coverage data, and $81 million to serve the particular needs of the military agencies. These data include control surveys; topographic, geologic and soil surveys and maps; and hydrographic, hydrologic and climatologic data for nautical and aeronautical charts. In addition to their usefulness in the investigation and planning for Federal and other construction projects, the data serve a variety of other engineering, industrial and scientific purposes, including the determination of the size and shape of the earth, necessary for missile programs.

Preliminary surveys and investigations.—In order to determine the basic need for and the engineering and economic feasibility of individual projects, careful preliminary investigations are required. 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. Preliminary investigations of river basin and other construction programs will require expenditures of $16 million in 1960. In addition, an appropriation of $3 million is recommended to permit the Housing and Home Finance Agency to make grants to the States and metropolitan areas for assistance in general community planning.

Detailed planning.—Detailed planning of projects 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 detailed advance planning in 1960 are estimated at $41 million, including some site costs as shown in table 3.

The budget also includes $7 million to permit the Housing and Home Finance Agency to make repayable advances to State and local agencies for the planning of public works.

Authorized reserve.—A reserve of soundly conceived authorized projects provides a basis for a wise selection of projects for advance planning and for starting in accordance with program needs and economic and budgetary policy. Projects within the reserve have been authorized by substantive legislation and thus require only financing and planning for starting. Agency reports, on the basis of present costs, indicate that $14.6 billion of authorized work will be in reserve for starting after 1960. About $9 billion of the reserve is included in the river basin programs of the Corps of Engineers and the Bureau of Reclamation.

The authorized reserve of Federal projects is shown in table 4, by status of plans and 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 1960*

[In billions]

Agency	Cost of authorized reserve						
	Estimated total Federal cost	Status of plans as of June 30, 1959			Status of plans as of June 30, 1960		
		Planned to stage where contract could be let	Plans in process	Plans not started	Planned to stage where contract could be let	Plans in process	Plans not started
Corps of Engineers, Army	$5.7	$0.9	$3.1	$1.7	$1.3	$2.7	$1.7
Bureau of Reclamation	3.3	.5	1.8	1.0	.5	1.7	1.1
Tennessee Valley Authority	1.7	.3	.5	.9	.5	.5	.7
Forest Service	1.3	.1	1.2	-------	.1	1.2	-------
Federal Aviation Agency	1.1	.2	.5	.4	.3	.5	.3
National Park Service	.7	(1)	.1	.6	(1)	.2	.5
Other agencies	.8	(1)	.2	.6	.1	.3	.4
Total	14.6	2.0	7.4	5.2	2.8	7.1	4.7

[1] Less than $50 million.

PROGRAMS BY MAJOR FUNCTION AND TYPE OF FACILITY

Table 5 summarizes civil public works expenditures according to the functional classification used in the budget, with subclassifications according to type of facility. Public works represent only a small portion of the total costs of some functional programs. For other functions, such as natural resources, over two-thirds of the expenditures are for construction projects. In 1960, it is expected that about 88% of total civil public works expenditures, including those from trust funds, will be for the natural resources and commerce and housing functions.

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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	1958 actual	1959 estimate	1960 estimate
Veterans' services and benefits	$36.3	$50.1	$59.3
Veterans' hospitals and other facilities	32.9	45.0	55.0
Cemeteries and memorials	3.3	2.8	2.7
United States Soldiers' Home (trust fund)	.2	2.3	1.6
International affairs and finance	14.4	33.2	33.6
Radio and other facilities	.4	4.9	10.1
Foreign Service and other buildings	13.9	28.3	23.6
Labor and welfare	163.8	208.9	205.5
Hospitals and health centers	58.7	63.6	69.3
Medical research facilities	4.4	9.6	15.6
Other research facilities and museums	1.7	10.3	20.5
Waste treatment works	16.9	30.0	30.0
Schools	78.7	77.4	49.8
Federal prison facilities	1.9	3.8	6.1
Office building (trust fund)	1.6	14.3	14.3
Agriculture and agricultural resources	20.7	71.8	68.3
Grain storage facilities	.4	35.0	30.0
Research facilities	2.9	9.1	8.9
Watershed and flood prevention works	17.4	27.7	29.4
Natural resources	1,036.1	1,137.9	1,162.2
Water resources and related developments for irrigation, navigation, flood control and power	936.6	973.8	1,031.6
Forest roads and other structures	37.4	47.9	38.6
Roads, buildings, and utilities on Indian lands	17.0	32.6	31.6
Fish hatcheries and wildlife refuges	2.9	7.2	4.6
Parkways, roads, and utilities in national parks	41.1	67.4	48.9
Helium plant and laboratories	.4	7.1	5.4
Anthracite mine drainage facilities	.4	2.0	1.4
Commerce and housing	1,767.0	2,888.8	3,475.1
Highway systems (trust fund) [1]	1,493.2	2,425.4	3,015.4
Forest highways and other roads [1]	30.8	35.2	3.1
Airports	45.6	75.1	82.4
Air navigation and radio facilities	47.3	95.3	108.3
Aeronautical and space flight research facilities	17.2	25.0	42.1
Water transportation aids	4.6	12.0	17.4
Defense housing, civil defense and community facilities, net	14.0	32.5	39.4
Public works in Alaska and the Virgin Islands	12.0	12.4	5.8
Low-rent public housing, net	−3.5	11.3	−.3
College housing, net	99.1	140.1	111.6
Post office improvements	7.0	24.5	49.8
General government: Government buildings and facilities	67.9	152.1	238.4
Total, civil public works	3,106.3	4,542.9	5,242.4

[1] Forest and public lands highways are included in highway trust funds in 1960.

NATURAL RESOURCES

Multiple-purpose control and development of rivers and streams for flood control, navigation, irrigation, hydroelectric power, municipal water supply and related purposes will require a major portion of the $1.2 billion to be spent in 1960 for natural resources construction programs. The remainder will be for the conservation and development of forests, mineral, recreational, and fish and wildlife resources, and for roads, utilities, and schools on Indian lands.

Corps of Engineers, Army.—The program of the Corps of Engineers is nationwide in scope, except for the Tennessee Valley area. Appropriations recommended for 1960 will finance continuation of work on 65 navigation projects, 21 multiple-purpose projects including power, 1 beach erosion control project, and 99 predominantly flood control projects. Work will be substantially completed in 1960 on 2 multiple-purpose projects including power, 9 flood control reservoirs, 13 local protection projects, 14 navigation improvements, and 4 bridge alterations. The Corps will add 392,000 kilowatts of power-generating capacity to the Federal system in 1960.

The Saint Lawrence Seaway Development Corporation.—Construction on that part of the Saint Lawrence Seaway which is within United States territory is nearly completed. This construction 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 the spring of 1959, although additional improvement of the shipping channel is contemplated.

Bureau of Reclamation.—The Bureau will continue work in the 17 Western States on 57 projects for irrigation, water supply, flood control, and hydroelectric power, of which 9 will be substantially completed in 1960. Included in the total are 19 units of the Missouri Basin project and 5 units of the Upper Colorado River storage project. During the year, irrigation water will be available on 75,600 new acres and 61,800 supplemental acres of land, and 48,000 kilowatts of new generating capacity will be installed. Under the loan program for distribution systems and small reclamation projects, 8 local irrigation and water supply projects will be underway.

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, and related works will be continued in 1960.

Tennessee Valley Authority.—The major part of the public works expenditures by the Tennessee Valley Authority in 1960 will be for continuation of construction on steam and hydroelectric generating facilities underway. Additional generating capacity will be provided at Wheeler Dam and Colbert steam plant, financed by proceeds from operations. The expenditure estimate includes amounts based upon the anticipated enactment, early in calendar year 1959, of legislation permitting issuance of Tennessee Valley Authority revenue bonds to finance needed new power-generating facilities. Construction will continue on the new lock at Wilson Dam, financed from appropriated funds. Other construction includes work on transmission facilities, chemical facilities, and general-use buildings.

Summary of Federal electric power activities.—Federal resource development programs include provision for generation of electric power at hydroelectric facilities of Federal multiple-purpose reservoir projects and at steam-electric facilities of the Tennessee Valley Authority. At the end of the calendar year 1958, Federal agencies operated generating capacity amounting to 20.9 million kilowatts. This was about 15% of the total capacity of major electric utility systems in the United States. Additional capacity of 2.3 million kilowatts, scheduled for completion during the calendar years 1959 and 1960, will bring the Federal capacity to 23.2 million kilowatts. Over 28.3 million kilowatts of Federal generating capacity are now in operation, under construction, or programed. In addition, construction of privately owned generating capacity of 2.1 million kilowatts was financed by Rural Electrification Administration loans through the fiscal year 1958.

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

TABLE 6.—*Federal electric power generating capacity, in operation and presently scheduled (nameplate)*

[Million kilowatts]

Agency	Dec. 31, 1958	Total scheduled
Corps of Engineers, Army	5.86	10.11
Bureau of Reclamation	5.12	6.32
Tennessee Valley Authority	9.93	11.88
International Boundary and Water Commission	.03	.03
Total	20.94	28.34

The Bureau of Reclamation, Tennessee Valley Authority, and Bonneville and Southwestern Power Administrations will construct additional transmission facilities for marketing federally produced power and for integration of certain Federal power projects. The addition of 920 miles of line in 1960 will result in a Federal transmission system total of 29,700 miles. Expenditures in 1960 for construction of these facilities will amount to $75 million. (These expenditures are included in the agency figures discussed above.)

Summary of water resources and related developments.—Although the natural resources function includes the major part of water resources development, other water resource developments are carried out under the agriculture and agricultural resources and labor and welfare functional classifications. Table 7 brings together expenditures for all water resources and related developments.

TABLE 7.—*Budget expenditures for water resources and related developments*

[In millions]

Type	Functional code No.	1958 actual	1959 estimate	1960 estimate
Flood control works:				
Bureau of Reclamation	401	$0.7	$1.2	$0.7
Corps of Engineers, Army	401	197.0	223.5	242.8
Department of Agriculture	354	17.0	27.4	29.2
International Boundary and Water Commission	401	1.5	2.3	1.0
Tennessee Valley Authority	401	.4	.5	.1
Total, flood control works		216.6	254.9	273.8
Beach erosion control: Corps of Engineers, Army	401	.2	1.0	1.0
Irrigation and water conservation works:				
Bureau of Reclamation	401	85.1	79.7	75.9
Loan and grant program	401	.3	9.8	6.8
Department of Agriculture	354	.4	.3	.1
Bureau of Indian Affairs	401	3.4	5.1	3.4
Total, irrigation works		89.2	94.9	86.2
Navigation facilities:				
Corps of Engineers, Army	401	169.9	182.9	195.8
Saint Lawrence Seaway Development Corporation	401	47.9	17.3	4.5
Tennessee Valley Authority	401	15.8	8.6	2.9
Total, navigation facilities		233.6	208.8	203.2
Multiple-purpose dams and reservoirs with hydroelectric power facilities:				
Bureau of Reclamation	401	88.4	122.1	104.5
Corps of Engineers, Army	401	186.4	157.4	224.3
International Boundary and Water Commission	401	.3	.9	.1
Tennessee Valley Authority	401		4.0	15.0
Total, multiple-purpose facilities		275.1	284.4	343.9
Steam-electric powerplants: Tennessee Valley Authority	401	82.9	100.1	76.4
Power transmission facilities:				
Tennessee Valley Authority	401	21.6	24.4	33.0
Bureau of Reclamation	401	8.8	11.4	17.1
Bonneville Power Administration	401	25.5	20.2	23.6
Southwestern Power Administration	401	.9	1.0	.8
Total, power transmission facilities		56.8	57.0	74.5
Waste treatment facilities: Public Health Service, grants	213	16.9	30.0	30.0
Total, water resources and related developments		971.3	1,031.1	1,089.0

Other natural resources programs.—Under the natural resources function there are also programs for the construction of roads and trails in the national forests, national parks and Indian reservations, and on other public lands, and for the continuation of work on 8 national parkways. Provision is also made for the construction of buildings, utilities, and other facilities in the 189 park, monument, and other areas comprising the National Park System. Fiscal year 1960 marks the fourth year of a 10-year development program, known as Mission 66, which is expected to provide for the needs of over 80 million visitors to the National Park System on completion. 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. Work will also proceed on fish hatcheries, wildlife refuges, and other structures.

COMMERCE AND HOUSING

Structures required in support of programs under this heading include roads, airports, air navigation facilities, space research facilities, housing, post offices, and other structures. Most of the construction is carried on by State and local authorities, with Federal aid in the form of grants and loans.

Highways.—The largest program in this function is for roads. Under the Federal Aid Highway Acts of 1956 and 1958, a separately financed Federal trust fund has been established to provide for 90% of the total cost of a 41,000-mile interstate system of roads by 1970. The remaining 10% of the cost is to be provided by the States. In addition, the trust funds will finance the Federal share of the cost of the Federal-aid primary and secondary systems and urban extensions on such systems. During 1960, it is expected that 9,800 projects costing $4.7 billion will be approved. Of this amount, $3.4 billion represents the Federal share. Payments to the States from the highway trust fund in 1960 for the Federal share of the cost of completed work will approximate $3 billion. The budget proposes that public lands highways and forest highways, which are an integral part of the highway system, also be financed from the trust fund beginning with 1960.

Substantial progress toward completion of the Woodrow Wilson Memorial Bridge near the District of Columbia is expected in 1960.

Airports, air navigation, and research facilities.—The Federal Aviation Agency, created in August 1958, has assumed the functions of the Civil Aeronautics Administration, as well as the Airways Modernization Board and part of the responsibilities of the Civil Aeronautics Board. The new agency administers a program of grants for public airport construction, installs air navigation facilities, and conducts research directed toward increasing the safety of air navigation. In the District of Columbia area, the Agency is administering the construction of a new airport near Chantilly, Va., for which appropriations of $63 million have been made.

In October 1958, the National Aeronautics and Space Administration was created, supplanting the predecessor National Advisory Committee on Aeronautics and giving new emphasis to research on space problems. In response to this orientation, a space projects center has been started at Beltsville, Md., and the pilotless aircraft station at Wallops Island, Va., is being expanded to accommodate space vehicles. Improvements and additions to facilities of existing research centers will also be made in 1959 and 1960.

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Housing and community development.—As a result of previous commitments, expenditures for loans to public institutions for the construction of dormitories will amount to $112 million in 1960. The Public Housing Administration assists in the construction of low-rent public housing units through loans and annual contributions contracts. The 1960 budget provides for construction of 35,000 units placed under contract in prior years. Other significant expenditures consist of (*a*) loans for public facilities under the Housing Act of 1955 and (*b*) interest-free advances to State and local public agencies for the planning of local public works, under the Housing Act of 1954.

Other facilities.—The Post Office Department will continue in 1960 its program of major renovation and modernization. The Panama Canal Company will spend $7 million on employee quarters, various canal improvements and other construction. Work will continue on the Balboa Bridge over the Panama Canal. The Coast Guard will construct aids to navigation and shore facilities required to carry out the functions of that agency.

VETERANS' SERVICES AND BENEFITS

Work will continue on construction of a veterans' hospital at Palo Alto, Calif., and on replacement facilities at Downey, Ill. A neuropsychiatric hospital at Cleveland, Ohio, and a hospital replacement at Jackson, Miss., are scheduled to be started in 1959. Work will go forward in 1960 on the replacement of the hospital in Nashville, Tenn. The budget also provides for architectural plans for a 400-bed hospital building at Oteen, N. C.

This function also includes 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

The extension and remodeling of the State Department building in Washington, D. C., will be nearing completion in 1960. Construction will continue on office buildings and living quarters for the United States Government abroad, and radio facilities for the Voice of America. Power and water systems are being built in the Ryukyu Islands by the Department of the Army.

LABOR AND WELFARE

A major part of the Federal public works expenditures for the labor and welfare function consists of grants to State and local authorities for hospitals, schools, and other facilities. Direct Federal expenditures are made for research facilities, museums, and other structures.

Health facilities.—The Department of Health, Education, and Welfare administers a program of grants to aid in the construction of hospitals and health research facilities. About 45% of the hospital grants and 25% of the health research facilities are made to State and local authorities. These amounts are reflected in the public works expenditures in this analysis. Grants for nonprofit groups for such facilities are in another section of this analysis, and are shown in table 8. The Department also provides hospitals on Indian reservations.

Education and research facilities.—In 1960, about $50 million will be spent by the Federal Government for assistance for school construction in areas substantially affected by Federal activities. The Smithsonian Institution will make substantial progress toward completing the Museum of History and Technology. Planning will proceed on additions to the Natural History Building in the District of Columbia.

Grants for construction of waste treatment works.—The Public Health Service administers a program of grants to communities to stimulate and assist in the construction of waste treatment facilities. Legislation is recommended to discontinue Federal grants for construction of waste treatment plants so that the States can assume full responsibility for these structures starting in 1961.

AGRICULTURE AND AGRICULTURAL RESOURCES

The Department of Agriculture provides assistance to States and local groups for the installation in upstream watersheds of works to prevent damage from soil erosion, flood water, and sedimentation, and to further the conservation, development, utilization, and disposal of water. No additional funds are recommended for 1960 to initiate construction on watershed projects under the Watershed Protection and Flood Prevention Act. However, funds available from the 1959 appropriation will permit starting a total of 100 projects over the 2-year period. The program of upstream flood prevention work in the 11 watershed areas authorized by the Flood Control Act of 1944 will continue. In addition, the Department of Agriculture will build facilities for research and will provide grain storage facilities in 1960.

GENERAL GOVERNMENT

Administrative and other buildings required to carry on the Government's business represent a major portion of the construction activities reported under this functional classification. The Congress appropriated funds to the General Services Administration for 1959 for the direct construction of 48 public buildings, including 46 heretofore approved under the lease-purchase program, and 2 special-purpose projects. Substantial progress toward completing these buildings is expected in 1960. In addition, major renovation and air conditioning of existing Federal buildings is contemplated.

Work will continue in the District of Columbia on a new office building for the House of Representatives, and on the extension of the east wing of the Capitol. Legislation is proposed in 1959 to permit the Government Printing Office to construct a $5 million annex to be used as a warehouse. The construction program of the Canal Zone Government for 1960 will include schools, streets, and sewage disposal facilities. Also, planning will begin on a medical center which is to be a partial replacement of Gorgas Hospital. In addition, the Federal Government will continue to provide 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.

MAJOR NATIONAL SECURITY CONSTRUCTION

The Federal Government will spend $2 billion in 1960 for major national security construction, $270 million below the 1959 level.

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION—Continued

Military construction.—A substantial amount of construction is required to support the current and long-range programs for strengthening our military defenses. Provision is also made for the modernization, repair, and replacement of facilities at existing installations of the Department of Defense.

A major portion of the facilities needed by the Armed Forces relates to missiles and their support. Funds are provided in the 1960 program for additional NIKE-HERCULES and BOMARC air defense missiles sites and for improvement of the existing radar warning system. The budget also provides for sites and support for the ATLAS and TITAN, POLARIS and NIKE-ZEUS missile systems, as well as continued progress toward completion of the ballistic missile early warning system. With the initial phase of the dispersal and alert readiness facilities for the Strategic Air Command bomber forces scheduled for completion in 1959, the 1960 expenditures for construction by the Department of Defense are estimated at $1.7 billion, $310 million less than in 1959.

Atomic energy facilities.—In 1960, construction by the Atomic Energy Commission will relate primarily to production plants and to research and development installations started in earlier years. Progress is scheduled for the heavy water component and the plutonium recycle test reactors, as well as the gas cooled power reactor, fast power breeder pilot facility, fuels technology center, cooperative power reactor demonstration project, destroyer reactor plant, and the power reactor development acceleration project. Also, the high energy accelerator program will go forward. Projects to be started in 1960 include improvements and additions to existing production plants, and facilities for physical, medical, and biological research.

OTHER FEDERAL ACTIVITIES IN CONSTRUCTION

In the foregoing sections of this analysis the effect of Federal expenditures on construction has been limited to additions to Federal, State, and local government physical assets, which are called public works. Apart from public works there are other types of Federal activities, involving loans, loan guaranties, grants, or direct Federal expenditures, which affect construction.

ASSISTANCE TO COOPERATIVES AND NONPROFIT GROUPS

The Federal budget provides funds for construction by privately owned cooperatives and nonprofit groups whose functions are of a quasi-public nature. Expenditures for these programs are shown in table 8.

TABLE 8.—*Federal expenditures for cooperative and nonprofit groups (not included in civil public works)*

[In millions]

Program	1958 actual	1959 estimate	1960 estimate
Federal construction:			
Construction, Howard University	$2.1	$3.2	$1.4
Construction, Gallaudet College	2.0	2.5	1.1
Grants:			
Hospital construction	57.9	67.5	70.3
Hospital facilities in the District of Columbia	.9	1.9	1.4
Construction of research facilities	9.2	15.0	15.0
Loans:			
Rural electrification, gross	288.2	315.0	325.0
College housing, net	66.1	93.4	74.4
Total	426.4	498.5	488.6

The Rural Electrification Administration makes loans to rural cooperatives and private companies to finance electrical and telephone facilities. The Public Health Service provides grants not only to the publicly owned but also to privately owned hospitals and medical facilities. Similarly, the Housing and Home Finance Agency makes loans for college housing to both public and private institutions. Legislation is being recommended to assist Rural Electrification Administration 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.

AIDS FOR PRIVATE CONSTRUCTION

A wide variety of Federal incentives in the form of loans, loan guaranties, tax concessions, grants, and other assurances, is available to stimulate construction on homes, farms and businesses.

Under the lease-purchase authority provided in 1954, which expired in July 1957, the General Services Administration and the Post Office have undertaken 34 projects with maximum construction costs estimated at $63 million. Under this plan, Federal buildings are 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. The Post Office estimates that in response to its commercial leasing program, 650 buildings costing about $36 million will be built in 1959 and 1,160 buildings costing about $140 million in 1960. These structures are for long-term occupancy by the Federal Government, but are not intended for Federal ownership.

The Housing and Home Finance Agency provides assistance to communities for orderly redevelopment. Approximately 650 urban renewal projects are now underway or completed in more than 380 cities. 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 on such housing than would otherwise be the case. The Farmers' Home Administration makes direct loans for farm houses, buildings, and water facilities, and insures private loans for these purposes. The Commodity Credit Corporation provides loans for the 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—	1958 actual	1959 estimate	1960 estimate
Additions to Federal assets:			
Loans to State and local governments, net	$117	$204	$166
Public works—sites and direct construction:			
Civil	1,252	1,612	1,812
Major national security	1,964	2,243	1,973
Expenditures for other developmental purposes: State and local physical assets: Grants-in-aid	242	285	233
Total budget expenditures for public works	3,575	4,344	4,184

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS

BY MAJOR FUNCTION AND AGENCY

[In thousands]

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
BUDGET ACCOUNTS							
Veterans' Services and Benefits							
American Battle Monuments Commission:							
Memorials and cemeteries	106	$1,250			$2,328	$2,500	$2,000
Veterans Administration:							
Hospital and domiciliary facilities, including alterations	105	44,528	$19,295	$20,159	32,888	45,000	55,000
Department of Defense—Civil Functions:							
Army: Cemeteries	106	431	237	926	932	317	674
Total, veterans' services and benefits		46,209	19,532	21,085	36,148	47,817	57,674
International Affairs and Finance							
United States Information Agency:							
Radio facilities	153	1,100	13,307	15,869	382	4,079	6,661
General Services Administration:							
U. S. mission building	151		3,750			1,500	2,200
Department of Defense—Civil Functions:							
Army: Power and water systems in Ryukyu Islands	152	1,513	10,600		53	860	3,400
Department of State:							
State Department and Foreign Service buildings	151	11,035	7,178	6,850	13,931	26,800	21,354
Total, international affairs and finance		13,648	34,835	22,719	14,366	33,239	33,615
Labor and Welfare							
Legislative branch:							
Botanic Garden: Greenhouses	215		587			587	
National Science Foundation:							
Research facilities	215	1,515	1,635	1,800	1,150	3,608	3,150
Smithsonian Institution:							
Museums	215	800			361	3,737	14,151
General Services Administration:							
Hospital facilities in the District of Columbia:							
Loans	213	1,000	510		3,133	2,250	1,499
Direct work	213	855			2,167	350	78
Department of Commerce:							
National Bureau of Standards: Laboratories	215	72	3,285	1,815	99	2,404	3,098
Department of Health, Education, and Welfare:							
Public Health Service:							
Federal research facilities	213	129	3,700	300	1,426	3,690	3,750
Indian health facilities	213	3,130	6,010	3,087	1,293	3,880	9,000
Library and office building	213	147	16,662		85	850	6,750
Grants for public hospitals	213	54,000	83,550	45,000	47,387	55,260	57,510
Grants for waste treatment works	213	45,000	45,000	20,000	16,884	30,000	30,000
Grants for health research	213	3,000	7,500	5,000	2,915	5,000	5,000
Mental health facilities, Alaska	213		6,500			80	620
Total, Public Health Service		105,406	168,922	73,387	69,990	98,760	112,630
Saint Elizabeths Hospital: Hospital buildings	213	235	212	330	4,667	1,743	585
Office of Education: School construction in federally affected areas:							
At Federal installations	214	23,618	7,400	7,000	4,350	8,000	8,000
Grants	214	74,075	42,400	30,600	74,397	69,444	41,850
Total, Department of Health, Education, and Welfare		203,334	218,934	111,317	153,404	177,947	163,065
Department of Justice:							
Federal Prison System: Prison facilities	216	1,000	1,500	14,275	1,884	3,760	6,089
Total, labor and welfare		208,576	226,451	129,207	162,198	194,643	191,130
Agriculture and Agricultural Resources							
Department of Agriculture:							
Agricultural Research Service and other: Laboratory and research facilities	355	2,345	989	1,149	2,932	9,103	8,924
Soil Conservation Service: Flood prevention, watershed protection and other:							
Direct work	354	845	955	600	880	877	662
Grants	354	26,395	30,660	23,720	16,482	25,915	27,785
Loans	354	1,500	1,000	1,000	11	900	900
Commodity Credit Corporation: Storage facilities	351				386	35,000	30,000
Total, agriculture and agricultural resources		31,085	33,604	26,469	20,691	71,795	68,271

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS—Continued

BY MAJOR FUNCTION AND AGENCY—Continued

[In thousands]

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
BUDGET ACCOUNTS—Continued							
Natural Resources							
Saint Lawrence Seaway Development Corporation	401	$35,000			$47,859	$17,282	$4,528
Tennessee Valley Authority:							
Power and chemical facilities	401	5,384	$8,537	$6,531	120,340	136,540	111,472
Power facilities (proposed)	401		200,000			1,500	17,500
Department of Agriculture:							
Forest Service: Forest roads and protective facilities	402	40,991	39,705	39,216	33,244	42,400	33,602
Department of Defense—Civil Functions: Corps of Engineers, Army: Flood control, navigation, and multiple-purpose projects with power	401	493,449	654,242	710,890	553,531	564,800	663,908
Department of the Interior:							
Office of Saline Water: Demonstration plant, plans	401			300			300
Power transmission facilities:							
Southwestern Power Administration	401	1,480		880	881	979	835
Bonneville Power Administration	401	22,038	20,934	25,000	25,537	20,200	23,628
Bureau of Land Management: Access roads	401	5,480	4,685	5,200	4,245	5,501	5,000
Bureau of Indian Affairs: Irrigation works, roads, buildings and utilities	401	29,000	58,000	29,000	20,479	37,658	35,070
Bureau of Reclamation:							
Irrigation and multiple-purpose projects with power	401	157,764	211,387	208,668	183,006	214,264	198,214
Loans	401		14,167		301	9,680	6,790
Grants	401	11	221	31	11	221	31
Total, Bureau of Reclamation		157,775	225,775	208,699	183,318	224,165	205,035
Bureau of Mines:							
Laboratories and helium plant expansion	403	23	12,624		331	7,093	5,372
Anthracite mine drainage facilities, grant	403				415	2,000	1,400
Fish and Wildlife Service: Fish hatcheries and wildlife refuges	404	6,377	4,429	2,543	2,875	7,200	4,593
National Park Service: Parkways, roads, buildings and utilities	405	47,891	52,504	44,350	41,135	67,407	48,873
Geological Survey: Buildings	409				79	6	
Total, Department of the Interior		270,064	378,951	315,972	279,295	372,209	330,106
Department of State:							
International Boundary and Water Commission: Water resource projects	401	300	1,000	1,000	1,837	3,200	1,100
Restoration of salmon runs, Fraser River system	404				22		
Total, Department of State		300	1,000	1,000	1,859	3,200	1,100
Total, natural resources		845,188	1,282,435	1,073,609	1,036,128	1,137,931	1,162,216
Commerce and Housing							
Executive Office of the President:							
Office of Civil and Defense Mobilization: Grants for emergency centers	520	6,824		3,340	988	2,118	2,750
Federal Aviation Agency:							
Establishment of air-navigation facilities	513	119,604	150,500	134,000	47,237	95,185	108,225
Research facilities	513			16,744			7,068
Washington, D. C., and Alaska airports	513	12,750	50,000		2,705	25,219	27,822
Federal-aid airport program: Grants	513	63,000	63,000	65,000	42,870	49,877	54,628
Total, Federal Aviation Agency		195,354	263,500	215,744	92,812	170,281	197,743
Federal Communications Commission:							
Radio monitoring facilities	519	34	128	74	38	135	81
National Aeronautics and Space Administration:							
Research facilities	513	41,200	72,250	57,800	17,226	25,000	35,000
Housing and Home Finance Agency:							
Office of the Administrator:							
Public facility loans	515				10,649	23,950	29,780
Advance planning of non-Federal public works: Loans	515	5,000	7,000	7,000	2,370	7,156	7,720
College housing loans	517	105,000			99,080	140,100	111,600
Proposed	517		120,000				
War and emergency housing:							
Grants	516				1,266	267	
Loans	516				−1,348	−936	−900
Public Housing Administration: Low rent housing loans	516				−3,455	11,301	−300
Total, Housing and Home Finance Agency		110,000	127,000	7,000	108,562	181,838	147,900

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SPECIAL ANALYSIS F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS—Continued

BY MAJOR FUNCTION AND AGENCY—Continued

[In thousands]

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
BUDGET ACCOUNTS—Continued							
Commerce and Housing—Continued							
Department of Commerce:							
Bureau of Public Roads:							
Access roads, bridges, and other direct Federal work	512				$5,450	$4,178	$3,100
Forest and public lands highways and other grants	512	$36,790	$34,850	(1)	25,302	31,032	(1)
Total, Bureau of Public Roads		36,790	34,850		30,752	35,210	3,100
Coast and Geodetic Survey: Geomagnetic observatory	518		400		2	172	228
Department of Defense—Civil Functions:							
Panama Canal Company:							
Canal and harbor improvements	511				6,409	11,193	7,390
Panama Canal Bridge	511	750	19,250		159	1,600	4,020
Department of Health, Education, and Welfare:							
Defense community facilities, grant	515				13	42	
Department of the Interior:							
Office of Territories:							
Alaska public works:							
Loans	515	3,000	2,650		4,069	3,809	1,500
Grants	515	3,000	2,650		3,461	3,809	1,500
Virgin Islands public works: Grants	515				14	77	
Alaska Railroad	518				4,410	4,704	2,833
Total, Department of the Interior		6,000	5,300		11,954	12,399	5,833
Post Office Department:							
Improvements and alterations	514	28,474	31,450	$92,461	6,951	24,467	49,794
Treasury Department:							
Coast Guard: Lifeboat stations and other aids	511	4,246	4,874	7,187	2,290	4,146	6,818
Adjustment for transfer from Department of Defense					−4,338	−5,161	−1,000
Total, commerce and housing		429,672	559,002	383,606	273,818	463,440	459,657
General Government							
Legislative branch:							
Architect of the Capitol: Buildings	601	3,096	6,500		11,273	21,570	54,717
Government Printing Office: Annex	610		5,251			200	1,000
Central Intelligence Agency:							
Headquarters installation	605				3,622	8,010	14,000
General Services Administration:							
Court facilities	602				232	30	
Public buildings: Construction, renovations, improvements, sites, and planning	605	71,591	265,595	43,232	39,910	101,969	145,991
Total, General Services Administration		71,591	265,595	43,232	40,142	101,999	145,991
Department of Commerce:							
Weather Bureau: Housing and other facilities	607	285	275	385	120	468	305
Department of Defense—Civil Functions:							
Canal Zone Government: Civic improvements	609	1,000	3,100	3,096	836	3,426	3,250
Department of the Interior:							
Office of Territories: Public buildings in Samoa and the Pacific islands, grants	609	6,150	4,875	5,225	950	950	1,400
Virgin Islands Corporation: Water and power facilities	609		1,500			300	1,050
Department of Justice:							
Immigration and Naturalization Service: Border patrol facilities	608	94		498	5	92	298
District of Columbia:							
Federal payments, grant	609	9,000	9,000	9,000	9,000	9,000	9,000
Loans for highway, sewer and water systems and other public works	609	9,631	5,500	35,400	2,000	6,046	7,404
Total, District of Columbia		18,631	14,500	44,400	11,000	15,046	16,404
Total, general government		100,847	301,596	96,836	67,948	152,061	238,415
Total, all functions, civil public works, budget accounts		1,675,225	2,457,455	1,753,531	1,611,297	2,100,926	2,210,978

[1] Forest and public lands highways will be financed from trust funds in 1960. See p. 980.

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Special Analysis F—Continued

FEDERAL ACTIVITIES IN CIVIL PUBLIC WORKS—Continued

BY MAJOR FUNCTION AND AGENCY—Continued

[In thousands]

Function, organization unit, and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
TRUST FUNDS							
Veterans' Services and Benefits							
Department of Defense—Civil Functions:							
United States Soldiers' Home	100	$34	$560	$5,587	$164	$2,325	$1,642
Labor and Welfare							
Department of Health, Education, and Welfare:							
Bureau of Old-Age and Survivors Insurance: Building	200	5,710	1,300	----------	1,587	14,265	14,322
Commerce and Housing							
Department of Commerce:							
Bureau of Public Roads: Federal-aid highways, grant, including proposed legislation	500	3,620,000	3,430,000	3,433,500	1,493,217	2,425,360	3,015,417
Total, all functions, trust accounts	------	3,625,744	3,431,860	3,439,087	1,494,968	2,441,950	3,031,381
Total, all functions, budget and trust accounts	------	5,300,969	5,889,315	5,192,618	3,106,265	4,542,876	5,242,359

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Special Analysis F—Continued

MAJOR NATIONAL SECURITY CONSTRUCTION

[In thousands]

Organization unit and program	Functional code	NEW AUTHORIZATIONS			EXPENDITURES		
		1958 enacted	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Military public works:							
Department of Defense—Military Functions:							
Interservice activities:							
Access roads	061				$1,481	$2,263	$1,000
Family housing	061				2,529	407	
Olympic winter games	061	[1] $3,500				3,100	400
Advanced Research Projects Agency	061		[1] $12,018			6,624	5,394
Loran stations	061	5,500	20,000		5,500	20,000	
Total, interservice activities		9,000	32,018		9,510	32,394	6,794
Army:							
Field forces and other operational facilities	061	193,000	123,500		155,813	161,500	101,000
Technical services	061	32,000	23,500		34,177	30,000	19,000
Army Reserve	061	35,000	1,000		20,767	21,000	26,500
Army National Guard	061	20,000	5,250		21,359	20,000	2,000
Alaska Communications System	061				402	200	50
Research and development	061	8,500	31,000		17,000	14,000	9,000
Classified	061	76,500	52,000		136,333	139,500	88,000
Total, Army		365,000	236,250		385,851	386,200	245,550
Navy:							
Aviation facilities	061	89,000	98,000		152,653	123,000	97,000
Navy facilities other than aviation	061	118,000	116,000		148,342	143,000	114,000
Marine Corps facilities other than aviation	061	12,000	3,163		19,893	7,000	6,000
Naval Reserve	061		8,000		18,821	15,000	8,200
Research and development	061	19,862	75,000		33,897	48,000	36,000
Classified	061	26,138	2,837		14,746	17,000	13,000
Total, Navy		265,000	303,000		388,352	353,000	274,200
Air Force:							
Operational support facilities	061	885,064	513,309		597,402	760,714	575,000
Training facilities	061	75,213	27,555		100,404	60,053	45,000
Logistical, other support and miscellaneous facilities	061	382,293	197,625		114,127	313,294	237,700
Air Force Reserve	061	20,912	4,550		21,081	15,996	11,200
Air National Guard	061	[2] 27,048	[2] 12,784		36,773	31,673	8,200
Research and development	061	44,016	32,160		84,867	38,779	29,000
Classified	061	12,502	9,801		10,103	11,164	9,000
Total, Air Force		1,447,048	797,784		964,757	1,231,673	915,100
Proposed legislation	061			$1,563,200			251,600
Total, Department of Defense—Military Functions		2,086,048	1,369,052	1,563,200	1,748,470	2,003,267	1,693,244
Other national security construction:							
Atomic Energy Commission: Production plants, research, and other facilities	066	102,755	247,435	102,000	209,509	240,234	259,723
Proposed legislation	066			126,000			20,000
Funds appropriated to the President: Defense production expansion: Expansion of nickel plant at Nicaro, Cuba	067				5,839	−200	
Total, other national security construction		102,755	247,435	228,000	215,348	240,034	279,723
Total, major national security construction		2,188,803	1,616,487	1,791,200	1,963,818	2,243,301	1,972,967

[1] Appropriation (adjusted).

[2] Adjustment to reflect comparability with proposed 1960 appropriation structure.

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Special Analysis G

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS

Federal financial assistance to State and local governments takes the form of direct grants-in-aid, shared revenues, and net loans and repayable advances. The increase of $2 billion between 1958 and 1960 indicates the significance of support from these sources.

In 1960, total estimated assistance, exclusive of administrative costs to the Federal Government, is $7.1 billion, including net expenditures of $4.1 billion from regular budget accounts and $3.0 billion from the highway trust fund. Total financial aid, therefore, represents nearly 9% of total Federal cash payments to the public.

Included in the foregoing total is $16.5 million of expenditures in 1960 under proposed legislation authorizing a special transitional grant to Alaska and assistance to areas of chronic unemployment. In addition, other legislative proposals which are discussed later will affect expenditures in future years.

For 1960, the total of budget and trust expenditures for financial assistance to other levels of government is expected to be $454 million higher than in 1959 and $2.1 billion larger than the revised total for 1958. As in recent years, the most important factors in this increase are attributable to the scheduled acceleration of the highway program and for public assistance. Although the number of programs is large, about 70% of total expenditures for assistance to State and local governments is contained in these two programs. Stimulative grants primarily for laboratory equipment and counseling to students under the new National Defense Education Act of 1958, will total $54 million, an increase of $8 million over 1959. For a portion of 1959 and in succeeding years, grants will be made for sharing in the cost of State and local civil defense personnel and administration; these will total $12 million in 1960. A net decrease of $62 million in other programs occurs primarily in the national school lunch and special milk programs, contributions to schools and other public agencies of surplus agricultural commodities, assistance to schools in federally affected areas, public health grants, and Indian educational and welfare services.

Table 1.—*Federal aid expenditures in relation to total Federal budget expenditures and to total State-local revenues*

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]
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	3,159	5	7
1958	[3] 3,576	5	7
1959 estimate	[4] 4,154	5	([2])
1960 estimate	[5] 4,133	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 $5,069 million, 6% 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 $6,695 million, 7% 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 $7,148 million, 8.6% of total Federal cash payments to the public, and Federal aid as a percentage of State-local revenues will be higher.

Grant programs constitute the largest type of Federal financial assistance being $6.9 billion or 95.8% of the total expenditures for all three types of aid. Shared revenues account for $119 million or 1.7% and net loans and repayable advances for the remainder, or $178 million, which is 2.5% of the grand total.

Included in the three kinds of financial assistance from budget and trust accounts are civil public works projects which add to State-local assets and the development of our communities. These represent an increasing portion of total Federal assistance outlays—48% in 1960 as compared to 44% in 1959 and 37% in 1958. (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 State 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 reduced 40% following a tax credit arrangement for 5 years. 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 continued strength of our Federal system depends upon the States and local governments assuming greater fiscal and administrative responsibilities for functions they can best perform. To this end, the President is again

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SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

recommending enactment of the proposals made by the Joint Committee as modified in its second report. The revised 5-year tax credit arrangement provides for: (1) a credit for new or increased taxes paid to the States on local telephone service equal to 30% of the Federal tax, or 3 percentage points of the present 10% Federal tax; and (2) the revenue equivalent of 1% of the Federal tax to be appropriated and distributed as Treasury grants to certain States as an equalizing factor. Thus, the combined credit and Treasury distribution equals 40% of the telephone tax, as originally agreed. The 1% distribution would be sufficient to supplement the credit in 37 States and the District of Columbia so as to bring each a total of at least 140% of its present grants for vocational education and waste treatment projects. The other States would receive in excess of 140% of present grants from the 3% credit alone and, therefore, would not be eligible for the supplementary Treasury funds.

The effective date of these recommended legislative charges is July 1, 1960, to permit the States to take necessary action, and hence their financial effect will be reflected in the 1961 budget.

Legislation will also be proposed in the coming session of the Congress to recognize the responsibility of State governments for cooperating with the Federal Government in protecting the public from health and safety hazards in the peaceful uses of atomic energy. The Committee's recommendation that States and localities share with the Federal Government necessary expenditures for natural disasters will be placed in effect by the Office of Civil and Defense Mobilization on July 1, 1959.

The continuing work of the Joint Action Committee is expected to result in additional recommendations for transfers of functions and revenue sources. The Committee will also study emerging problems with a view toward encouraging early action by State and local governments to assume their appropriate responsibilities in dealing with such problems.

Grants-in-aid.—Federal financial participation in programs administered by States and local governments in 1960 will total $6.9 billion (including $3.0 billion from the highway trust fund), an increase of $586 million over the estimated total for 1959. The labor and welfare category accounts for 45% of grant-in-aid expenditures in 1960; commerce and housing, 48% (including highway trust fund expenditures); agriculture and agricultural resources, 5%.

About 70%, or $5 billion, is for grants to build highways and for public assistance.

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 provide for distribution according to 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. Under the National Defense Education Act of 1958, grants for acquisition of equipment for science, mathematics, and foreign language instruction in public elementary and secondary schools are allotted to the States according to a national formula based on the relative school-age population of the State (positive relationship) and relative income per child of school age (inverse relationship).

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 55% of the Federal expenditures of $128 million for these grants in 1960 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.

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. These are supplementary to the cash grants to the national school

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SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

lunch and special milk programs, shown under labor and welfare. However, donations of previously acquired Federal property to State and local agencies have been omitted from the tabulation.

Alaskan and other transitional grants.—To assist the first new State in 47 years, the Federal Government will provide Alaska with a special form of transitional grant in 1960 and 4 years thereafter. The Federal Government has a responsibility to provide such financial assistance as is necessary to facilitate assumption by Alaska of such programs as highway construction and maintenance, airport operations, and public health services. Previously, as a territory, special provisions applied which will no longer be effective with respect to Alaska. This transitional grant is being provided to prevent curtailment or disruption of these essential services which are now federally administered.

The grant to Alaska will be authorized up to an amount not in excess of $10.5 million for 1960 and in declining amounts for 4 succeeding years. Under proposed legislation the State could receive the entire grant or could request that a share of the total be applied to continued Federal operations during an interim period. A large portion of these expenditures will be offset by elimination of special Federal programs which applied to Alaska as a territory. As a State, Alaska will be eligible like any other State for all grant programs available.

Legislation will be recommended to provide for an orderly withdrawal from the airport grant program by authorizing a transitional program of Federal grants to share the cost of basic facilities, such as runways and control towers. One-half, in place of three-fourths as now provided in the expiring law, of the funds appropriated would continue to be available to the States on the basis of the existing apportionment formula. The other one-half would be available for expenditure on a discretionary basis. Revenue-producing facilities, including terminals and hangars, would be locally financed. This program will require an estimated $65 million of new obligational authority in 1960, with smaller amounts in each of the next 3 years. No expenditures will be made in 1960 for this new program.

Shared revenues.—In the budget estimates for 1960, payments of shared revenues are estimated at $119 million, an increase of $13 million over 1959. As shown in the tabulation, the Mineral Leasing Act, national forest fund, and tax collections for American Samoa, Puerto Rico, and Guam constitute approximately 77% 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 1960, net disbursements for loans and advances to State and local governments are estimated at $178 million, a decrease of $29 million from 1959. 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.

The Temporary Unemployment Compensation Act of 1958 authorized payment of Federal extended unemployment benefits, in those States entering into agreements, equal to one-half of the benefit weeks provided by the State. Expenditures under this temporary program, which expires on April 1, 1959, totaling $48 million in 1958 and $412 million in 1959, are excluded from this analysis. Under the law these amounts must be restored to the Treasury through an automatic increase in the Federal unemployment tax starting in 1963, in those States receiving Federal payments, or they can be restored earlier from existing funds by State action.

Highway and Federal unemployment trust funds.—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 a greatly expanded Federal grant program to run over a 13-year period and 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.

In 1958, the Congress enacted special provisions applying to this fund, making additional money available to the States for acceleration of construction as an antirecession measure. Because of this factor and because of rising costs in this program, the President is recommending an increase of 1½ cents per gallon in the Federal tax on gasoline and is proposing other changes which will protect the future fiscal soundness of the highway trust fund.

The actual estimated receipts and disbursements of this trust fund are shown in table 2. During 1960, it is expected that grants-in-aid from this fund will total $3,015 million, an increase of $590 million over revised estimated expenditures for 1959, and $1,522 million higher than for actual 1958 costs.

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SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

TABLE 2.—*Highway trust fund*

[In millions]

Item	1958 actual	1959 estimate	1960 estimate
Balance in fund at start of year	$516	$1,049	$639
Receipts:			
Excise taxes transferred from general receipts:			
Present program	2,116	2,130	2,217
Proposed legislation			723
Proposed legislation to retain aviation gasoline excises in general revenues			−34
Interest	18	13	6
Payments:			
Grants-in-aid to States	−1,493	−2,425	−3,015
Federal administrative costs	−18	−26	−29
Refunds of taxes	−90	−102	−93
Net accumulation (+) or expenditure (−)	+532	−410	−224
Balance in fund at close of year	1,049	639	415

Under the Employment Security Financing Act, any excess receipts of the Federal unemployment tax over operating costs of the Federal-State employment security program are transferred to the Federal unemployment account to maintain a $200 million loan fund. When the Federal unemployment trust account is at the $200 million level, any further excess tax receipts are credited directly to the States' unemployment trust accounts. No transfers are forecast for 1959 or 1960 but $33 million in payments were made in 1958, and are shown in this analysis as grants. In 1959 no excess is forecast; in 1960 the excess will be used toward restoring the $200 million loan fund. Transfers of funds to maintain the $200 million loan fund are not shown in this analysis since this is a Federal account, but repayable advances to the States from the account and repayments by the States are included on a net basis. States may borrow funds from this account for benefit payments when their own accounts have been depleted to a specified level. In 1959 these advances will total $116 million; no advances are forecast for 1960.

Proposed legislation.—In addition to legislation not previously mentioned, Federal aid to State and local governments would be affected by several of the recommendations for legislative change which are proposed in the 1960 budget. These include measures to expand State and local participation in the financing of (*a*) public assistance, (*b*) aid for construction and operation of schools in areas affected by Federal activities, and (*c*) urban renewal programs. They also include proposals (*d*) to increase private financing of college housing, (*e*) to establish a uniform basis for local cost-sharing in flood control projects, (*f*) to provide loans and grants to aid areas of chronic unemployment. Legislation will also be proposed to convert the financing of grants for administrative expenses of the employment security program to a trust fund basis, although this will not affect the level of expenditures under the program nor its inclusion in this analysis.

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 expenditures from the Federal-aid highway and the Federal unemployment trust funds. Financial transactions relating to trust fund programs are shown in part III of the budget document.

In most cases, the expenditures in a given year correspond closely to the amount of the appropriation, but 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 year. 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.

The detailed tabulation of Federal expenditures for aid to State and local governments is arranged according to the functional classification used in the budget document. 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 Federal-aid programs are recapitulated to follow the outline of special analysis D.

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	1958 actual	1959 estimate	1960 estimate
Additions to Federal assets: Loans to State and local governments	$137	$207	$178
Expenditures for other developmental purposes:			
State and local physical assets [1]	251	301	250
Private physical assets	60	71	72
Education, training, and health	333	405	429
Research and development	39	39	37
Engineering and natural resources surveys	2	3	4
Total, other developmental purposes	685	819	792
Current expenses for aids and special services:			
Agriculture	251	331	312
Business			2
Labor	324	315	317
Homeowners and tenants	130	186	220
Veterans	8	8	8
Other aids and special services	1,906	2,141	2,131
Total, current expenses for aids and special services	2,619	2,981	2,990
Other services and current operating expenses: Shared revenues and grants-in-aid	134	147	173
Total, net budget expenditures for Federal aid to State and local governments [1]	3,576	4,154	4,133

[1] Does not include Federal aid highway trust fund expenditures of $1,493 million in 1958, and estimated $2,425 million in 1959 and $3,015 million in 1960.

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Special Analysis G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Similarly, table 4 relates this special analysis of Federal aid to special analysis F which tabulates budget and trust expenditures for public works.

Table 4.—*Federal-aid expenditures for civil public works*

[From budget and trust accounts. In millions]

Type of aid and function	1958 actual	1959 estimate	1960 estimate
Grants-in-aid:			
Labor and welfare	$142	$160	$134
Agriculture and agricultural resources	16	26	28
Natural resources	(1)	2	1
Commerce and housing:			
Budget accounts	74	87	59
Federal-aid highway trust fund	1,493	2,425	3,015
General government	10	10	10
Total, grants-in-aid for public works	1,735	2,710	3,249
Loans and repayable advances, net:			
Labor and welfare	3	3	1
Agriculture and agricultural resources	(1)	(1)	(1)
Natural resources	(1)	10	7
Commerce and housing	111	185	149
General government	2	6	7
Total, loans and repayable advances	117	204	166
Total, net budget and trust account expenditures for Federal aid to State and local governments for public works	1,852	2,915	3,414

[1] Less than one-half million dollars.

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 hospitals within the District (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.

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, or alternatively research grants, to public institutions for research and training in specified fields.

(*c*) Provision of radiological monitoring devices to States and cities for civil defense training and operational use.

(*d*) The value of surplus educational and hospital supplies, materials, and equipment, and real estate donated or sold at substantial discounts to State and local agencies.

(*e*) The payment 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.

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 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.

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS

Based on existing and proposed legislation

[In thousands]

Function, agency, and program	Functional code	1958 actual	1959 estimate	1960 estimate
BUDGET ACCOUNTS				
Grants-in-Aid				
Veterans' services and benefits:				
Veterans Administration:				
Aid to State homes [1]	105	$5,971	$6,158	$6,480
State supervision of schools and training establishments [1]	106	2,355	2,150	2,000
Total, veterans' services and benefits		8,326	8,308	8,480
Labor and welfare:				
National Science Foundation: Grants for research equipment [1]	215	540	1,682	3,525
BUDGET ACCOUNTS—Continued				
Grants-in-Aid—Continued				
Labor and welfare—Continued				
General Services Administration: Hospital facilities in D. C. (private nonprofit) [2]	213	$936	$1,900	$1,423
Department of Agriculture: National school lunch and special milk programs [1]	217	164,820	216,774	173,391
Department of Health, Education, and Welfare:				
Public assistance	212	1,794,687	1,985,000	2,018,400
Grants for social security training and studies [1]	212			700
Hospital construction [1]	213	105,292	122,800	127,800

See footnotes pp. 987-988.

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Special Analysis G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function, agency, and program	Functional code	1958 actual	1959 estimate	1960 estimate
BUDGET ACCOUNTS—Continued				
Grants-in-Aid—Continued				
Labor and welfare—Continued				
Department of Health, Education, and welfare—Continued				
Portion to private nonprofit institutions	213	($57,905)	($67,540)	($70,290)
Surveys and planning for hospital construction	213	124		
Assistance to States, general, public health [1]	213	14,931	15,300	14,700
Control of venereal diseases [1]	213	1,676	2,350	1,650
Control of tuberculosis [1]	213	4,489	4,000	3,000
Mental health activities [1]	213	3,944	4,000	4,000
National Heart Institute [1]	213	2,044	2,125	2,125
National Cancer Institute [1]	213	2,214	2,250	2,250
Maternal and child welfare	213	40,723	43,300	43,500
Grants and special studies, Alaska [1]	213	1,638	1,638	
Water pollution control [1]	213	2,528	2,700	2,700
Hospital and medical care, Hawaii [1]	213	1,241	1,000	1,000
Construction grants for waste treatment facilities	213	16,884	30,000	30,000
Grants for construction of health research facilities [1]	213	2,915	5,000	5,000
Poliomyelitis vaccination program	213	309	65	
Assistance for school construction and operation in federally affected areas:				
School construction [1]	214	4,397	69,444	41,850
Maintenance and operation of schools [1]	214	104,143	112,850	129,800
Vocational education	214	39,192	39,740	39,740
Colleges for agriculture and the mechanic arts	214	5,052	5,052	5,052
Defense educational activities	214		46,040	53,580
Grants for expansion of teaching in education of the mentally retarded [1]	214			160
Vocational rehabilitation [1]	217	40,789	47,500	53,063
Education of the blind	217	328	400	400
Grants for library services	215	4,892	5,650	6,000
White House Conference on Aging [1]	217		170	544
Department of the Interior: Bureau of Indian Affairs: Education and welfare services [1]	214	7,337	8,100	3,675
Department of Labor: Unemployment compensation and employment service administration [1]	211	290,680	314,760	316,645
Treasury Department: Credit to State accounts in unemployment trust fund [1]	211	33,453		
Total, labor and welfare		2,762,198	3,091,590	3,085,673
Agriculture and agricultural resources:				
Department of Agriculture:				
Commodity Credit Corporation and removal of surplus agricultural commodities: Contributions to school lunch program and to other public agencies	351	173,575	245,669	227,769
Watershed protection [2]	354	7,573	14,515	16,115
Flood prevention [1]	354	9,209	11,700	11,970
Cooperative agricultural extension work [1]	355	56,520	61,517	62,020
Agricultural experiment stations [1]	355	30,158	31,039	31,034
Payments to States, Territories, and possessions, Agricultural Marketing Service	355	$1,160	$1,160	$1,160
Total, agriculture and agricultural resources		278,195	365,600	350,068
Natural resources:				
Department of Agriculture:				
Forest protection and utilization [1]	402	11,824	12,000	11,000
Assistance to States for tree planting	402	51	389	20
Department of the Interior:				
Bureau of Reclamation:				
Disposal of Coulee Dam community [1]	401	10	90	74
Grants for small reclamation projects	401	1	131	
Bureau of Indian Affairs: Resources management	401	475	475	675
Drainage of anthracite mines	403	415	2,000	1,400
Federal aid in fish restoration and management [1]	404	5,224	5,000	5,000
Federal aid in wildlife restoration [1]	404	13,330	14,000	13,500
Total, natural resources		31,330	34,085	31,669
Commerce and housing:				
Office of Civil and Defense Mobilization:				
Federal contributions	520	8,324	15,300	15,500
Research and development [1]	520	5,443	2,444	
Funds appropriated to the President:				
Disaster relief [1]	521	11,897	11,477	11,140
Federal Aviation Agency: Federal-aid airport program [1]	513	42,870	49,877	54,628
Small Business Administration: Grants for research	518		1,400	2,080
Housing and Home Finance Agency:				
Slum clearance and urban renewal, capital grants [2]	515	35,232	75,646	100,000
Urban planning grants	515	1,953	3,200	3,500
Defense community facilities and services [2]	516	1,266	267	
Low rent housing program—annual contributions [2]	516	94,579	110,824	119,630
Department of Commerce:				
State marine schools [1]	511	368	312	440
Reimbursement to highway fund (District of Columbia)	512	200		
Public lands highways [1]	512	2,755	3,636	
Elimination of grade crossings	512	130		
Surveys and plans	512		278	
Forest highways [1]	512	22,217	27,118	
Department of Health, Education, and Welfare: Defense public works, community facilities	515	13	42	
Department of the Interior:				
Virgin Islands public works	515	14	77	
Alaska public works [2]	515	3,461	3,809	1,500
Proposed legislation: Department of Commerce: Area assistance grants [2]	518			2,000
Total, commerce and housing		230,722	305,707	310,418

[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

[In thousands]

Function, agency, and program	Functional code	1958 actual	1959 estimate	1960 estimate
BUDGET ACCOUNTS—Continued				
Grants-in-Aid—Continued				
General government:				
National Capital Planning Commission: Acquisition of lands in Maryland	609	$227	$627	$900
Department of the Interior: Grants to American Samoa, Guam, and the Trust Territories	609	7,205	5,927	6,801
Care and custody of Alaska insane	609	71	----------	----------
District of Columbia: Federal contribution [1]	609	20,000	29,000	32,000
Proposed legislation: Funds appropriated to the President: Transitional grants to Alaska	610	----------	----------	10,500
Total, general government	-----	27,503	35,554	50,201
Total, grants-in-aid	----	3,338,274	3,840,844	3,836,509
Shared Revenues				
Agriculture and agricultural resources:				
Department of Agriculture: Submarginal land program	354	558	400	400
Natural resources:				
Federal Power Commission: Federal Power Act	401	44	49	59
Tennessee Valley Authority: Payments in lieu of taxes	401	5,272	5,907	6,279
Department of Agriculture: National forests fund, to States for counties and schools	402	27,129	22,368	28,728
Department of Defense—Civil Functions: Flood Control Act of 1954, to States, Army	401	1,531	1,403	1,500
Department of the Interior: Grazing receipts to States	401	359	425	464
Payments to States, sales of public land and materials	401	198	175	228
Alaska school lands, income and proceeds	401	22	15	----------
Columbia Basin project, payments in lieu of taxes [1]	401	20	20	20
Boulder Canyon project, payments to Arizona and Nevada	401	600	600	600
Oregon and California land-grant fund, to counties	402	10,106	10,976	12,000
Payment to Coos and Douglas Counties, Oregon, on Coos Bay Wagon Road grant lands	402	24	70	50
Payments to Oklahoma from oil and gas royalties	403	9	15	15
Mineral Leasing Act, to States	403	32,169	38,300	43,275
Payments to Alaska, coal leases	403	43	110	110
Payments to counties, Migratory Bird Conservation Act	404	710	1,488	1,445
Payment to Wyoming in lieu of taxes, Grand Teton National Park	405	27	29	30
Total, natural resources	-----	78,263	81,950	94,803
General government:				
Department of the Interior: Internal revenue collections, Virgin Islands	609	3,379	3,872	3,872
Treasury Department: Tax collections for American Samoa, Puerto Rico, and Guam	609	18,679	19,812	20,048
Total, general government	-----	22,058	23,684	23,920
Total, shared revenues	-----	100,879	106,034	119,123
Net Loans and Repayable Advances				
Labor and welfare:				
General Services Administration: Hospital facilities in District of Columbia (private nonprofit) [3]	213	$3,133	$2,250	$1,499
Agriculture and agricultural resources:				
Watershed protection [3]	354	11	900	900
Natural resources:				
Department of the Interior: Bureau of Reclamation:				
Small reclamation projects [3]	401	301	----------	----------
Loans for small irrigation projects and distribution systems	401	----------	9,680	6,790
Commerce and Housing:				
Office of Civil and Defense Mobilization: Procurement fund	520	216	−52	39
Small Business Administration: Loans to State and local development companies	518	----------	1,984	6,700
Housing and Home Finance Agency:				
Public facility loans [3]	515	10,649	23,950	29,780
Public works planning [3]	515	2,370	7,156	7,720
Slum clearance and urban renewal [3]	515	19,912	1,033	1,000
Low rent housing program	516	−3,455	11,301	−300
Community facilities	516	−1,348	−936	−900
College housing [4]	517	99,080	140,100	111,600
Department of the Interior: Alaska public works [4]	515	4,069	3,809	1,500
Proposed legislation: Department of Commerce: Area assistance loans [3]	518	----------	----------	4,000
General government:				
District of Columbia: Loans for capital outlays	609	2,000	6,046	7,404
Total, for loans and repayable advances	-----	136,938	207,221	177,732
Total, all net budget expenditures	-----	3,576,091	4,154,099	4,133,364
TRUST FUNDS				
Commerce and housing:				
Department of Commerce: Bureau of Public Roads: Federal-aid highways (grant)	500	1,493,218	2,425,360	3,015,417
Labor and welfare:				
Treasury Department: Unemployment trust fund (loans)	200	2,635	116,000	----------
Total, trust funds	-----	1,495,853	2,541,360	3,015,417
Total, net budget and trust fund expenditures for grants-in-aid, shared revenues, loans and repayable advances	---	5,071,944	6,695,459	7,148,781
SUMMARY				
Grants-in-aid, loans, and repayable advances for civil public works:				
Budget accounts	-----	359,165	489,715	398,847
Trust funds	-----	1,493,218	2,425,360	3,015,417
Grants for hospital construction to private nonprofit institutions	-----	57,905	67,540	70,290
Other grants-in-aid, shared revenues, loans and repayable advances	-----	3,161,656	3,712,844	3,664,227
Total, net budget and trust fund expenditures for grants-in-aid, shared revenues, loans and repayable advances	-----	5,071,944	6,695,459	7,148,781

[1] Part of a larger appropriation account.

[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 H

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS

This analysis summarizes Federal expenditures in 1958, 1959, and 1960 for research and development—the systematic quest for new knowledge about natural and social phenomena and its application to the advancement of the Nation's industrial technology, welfare, and security. 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 "Research and development facilities." The contribution of the Federal Government to scientific training is dealt with in a supplementary section at the end of this text.

The special analysis includes this year for the first time a substantial portion of the expenditures for research and development and supporting test and evaluation activities of the Department of Defense which have been excluded from tabular presentations in previous years because they were financed out of procurement appropriations. However, because of certain technical problems in the transition to the new budget structure of the Department of Defense in 1960, it has not been possible to reconstruct estimated expenditures for 1958 and 1959 which are fully comparable to the 1960 estimates. Nor has it been possible to include in the tables estimates of additional expenditures for research and development support remaining in procurement appropriations which amount to about $2 billion in each of the 3 years. These problems are discussed further in the section on the Department of Defense below.

Net budget expenditures for Federal scientific research and development programs, exclusive of amounts from Defense procurement funds mentioned above, are estimated to be $5,484 million in 1960. This represents a substantial increase over 1958 and 1959, although the increase is not as great as indicated because of the lack of full comparability with the 1960 estimates of the amounts included for the Department of Defense for 1958 and 1959.

Table 1.—*Total Federal research and development expenditures*
[In millions]

Purpose	1958 actual	1959 estimate	1960 estimate
Conduct of research and development [1]	$3,203	$4,483	$5,096
Research and development facilities	295	358	388
Total [1]	3,498	4,841	5,484

[1] The increase in 1960 is somewhat less than indicated because figures for 1958 and 1959 for the Department of Defense are not fully comparable with those for 1960 as a result of changes in the appropriation structure. The totals for each year also exclude about $2 billion expenditures from Department of Defense procurement funds which support research and development.

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 $4,572 million in 1960. The Department of Defense programs for new and improved weapons, equipment, and defense techniques account for 68% of total 1960 expenditures shown; the research and development programs of the Atomic Energy Commission account for 15%. 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 application.

Expenditures for other than major national security programs are estimated at $912 million in 1960 or 17% of total Federal research and development expenditures. Of this amount 30% is for programs of the National Aeronautics and Space Administration and 27% 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, the National Science Foundation, and the Federal Aviation Agency.

Of the total expenditures for conduct of research and development, by far the greatest part goes for development work and the related activities of test and evaluation. In 1960 the total amount for research, as distinguished from development, is estimated at more than $1.3 billion, of which about $500 million is for the Department of Defense and over $800 million for all other agencies. These amounts cannot be estimated with precision because it is difficult to draw a line between applied research and general technical development and because many of the major developmental projects, especially in the Department of Defense, include amounts for both research and development.

Within the amounts for research, expenditures for basic research, which has for its purpose increasing the fundamental scientific knowledge that underlies the Nation's research and development and its technological progress, will continue to increase in 1960. Including $80 million in expenditures of the National Science Foundation for basic research as well as the amounts spent by other agencies for basic research related to their scientific missions, it is estimated that about $500 million will be devoted to such research in 1960. Of this total, about $100 million is for basic research now identified in programs of the Department of Defense and an equivalent amount is for basic research in the National Aeronautics and Space Administration.

The Federal Government supports about half the research and development 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, more than half are made through contracts with private industry and through grants and contracts with universities. The remainder are made directly by Government research laboratories and other facilities.

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

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 [1] [2]	2,988	510	3,498
1959 [1] [2]	4,108	732	4,841
1960 [1] [2]	4,572	912	5,484

[1] Figures under "Major national security" and "Total" for 1956 and subsequent years include the pay and allowances of Department of Defense military personnel assigned to research and development activities, amounting to about $200 million each year.

[2] Figures under "Major national security" and "Total" for 1958 and subsequent years include a substantial portion of the amounts for Department of Defense research and development previously financed out of procurement appropriations. Figures prior to 1958 exclude these amounts. Because of changes in appropriation structure of the Department of Defense, the expenditures shown for 1958 and 1959 are not fully comparable with those for 1960, and the increase in 1960 is somewhat less than indicated. The amounts also exclude the expenditures in support of research and development which will continue to be financed from Department of Defense procurement funds, estimated at about $2 billion each year in 1958, 1959, and 1960.

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 by 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 on this budget.

Expenditures for research and development facilities include amounts for physical facilities such as land, buildings, and major equipment, regardless of whether the facility is to be used or owned by the Federal Government or by a private, State, or local organization.

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 16 relates the figures in this special analysis to those in the analysis of the investment, operating, and other budget expenditures presented in special analysis D.

Department of Defense—Military Functions

The research, development, test, and evaluation programs of the Department of Defense include basic research to add to the store of knowledge on which significant future military developments may be based; applied research and technical developments to exploit military potentialities of new scientific findings; and development, test, and evaluation of new and improved weapons and equipment to increase the effectiveness of the military forces. These activities are conducted by the three military departments and the Advanced Research Projects Agency, under the direction of the Office of the Director of Research and Engineering, which is being established as provided by the Defense Reorganization Act of 1958.

Table 3.—*Estimated expenditures of the Department of Defense for research and development*

[In millions]

Function and purpose	1958 actual	1959 estimate	1960 estimate
060 Major national security:			
Conduct of research and development [1]	$2,178.6	$3,174.6	$3,602.7
Research and development facilities	135.8	107.4	89.4
Total, Department of Defense [1]	2,314.4	3,282.0	3,692.1

[1] Increase in 1960 is somewhat less than indicated because figures for 1958 and 1959 are not fully comparable with those for 1960; as a result of changes in the appropriation structure amounts for 1958 and 1959 exclude certain expenditures from prior year procurement appropriations for items reclassified as research, development, test, and evaluation in 1960. The totals for each year also exclude about $2 billion expenditures from procurement funds which support research and development.

CONDUCT OF RESEARCH AND DEVELOPMENT

As explained in the President's budget message and in the part II of the budget, the 1960 budget for military functions of the Department of Defense is presented in a new form which will permit consideration of the military budget on a more uniform basis. Although a clearer and more comprehensive presentation of the research, development, test, and evaluation activities of the Department of Defense is one of the principal objectives of the revised budget structure, the initial transition reflected in the 1960 budget has created special problems in estimating expenditures for these programs in 1960 and in reconstructing comparable figures for 1958 and 1959.

In previous years, the amounts for conduct of research and development shown for the Department of Defense in this special analysis have consisted of the amounts included in the military research and development appropriations as then constituted, plus an estimate of the military personnel costs applicable to research and development activities. As explained in the text in previous years, these estimates covered only a part of the Department's research, development, test, and evaluation activities, with the principal omission being the large amounts for these purposes included in the procurement appropriations. In the 1960 budget, a substantial portion of these amounts has been consolidated with the former research and development appropriations in the new appropriations for research, development, test, and evaluation, and most of the obligations for development, test, and evaluation remaining in the procurement appropriations have been separately identified. The items retained in the procurement appropriations in 1960 have been determined on the basis of the particular practical problems of each military department in the transition to the new structure, and include for example, major missile and aircraft systems under development in the Air Force and Navy whereas corresponding items in the Army have been included in the new research, development, test, and evaluation appropriation. Nevertheless, by combining the amounts in the

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

new research, development, test, and evaluation appropriations with the amounts for development, test, and evaluation support which have been identified in the procurement appropriations, it is possible to present, on a fairly comprehensive and comparable basis, the total estimated obligations for conduct of military research and development by the Department of Defense contemplated in the 1960 budget. As shown in table 5 below, the amounts provided in 1960 will continue the higher level of effort now underway as a result of the substantial increases made in 1959.

With respect to expenditures, however, it has not been possible to reconstruct comparable 1958 and 1959 estimates for the new research, development, test, and evaluation appropriations being established in 1960, or to estimate precisely the expenditures corresponding to the amounts for development, test, and evaluation support remaining in the procurement appropriations. As shown in table 4, the expenditures that have been included in the special analysis this year consist of the amounts shown in the budget for the new research, development, test, and evaluation title of the Department of Defense budget and the estimated expenditures for military personnel and revolving and management fund transactions applicable to research and development activities, and are subject to the qualifications indicated. If fully comparable figures were available, it is believed that the expenditures for the research, development, test, and evaluation title would be considerably higher than shown in 1958 and 1959, but that 1960 would still be somewhat higher than 1959 because of the impact on 1960 expenditures of the substantial increase in obligations from 1958 and 1959. While no accurate figures are available for the expenditures from procurement appropriations for development, test, and evaluation support, it is believed that they would represent an additional amount of about $2 billion each year.

TABLE 4.—*Estimated expenditures of the Department of Defense for conduct of research and development by budget title*

[In millions]

Budget title	1958 actual	1959 estimate	1960 estimate
Research, development, test, and evaluation appropriations [1]	$2,034.2	$3,020.4	$3,384.3
Procurement appropriations	(2)	(2)	(2)
Military personnel appropriations	188.5	196.9	194.5
Revolving and management funds [3]	−44.1	−42.7	23.9
Total estimated expenditures, conduct of research and development	2,178.6	3,174.6	3,602.7

[1] Figures shown for 1958 and 1959 under the new title "Research, development, test, and evaluation" are estimates and are not fully comparable to the estimates shown for 1960. The research, development, test, and evaluation appropriations for 1960 contain certain items and programs that were funded in other appropriations in prior years. In adjusting 1958 and 1959 data to a basis comparable with the proposed 1960 appropriation structure, the adjustments were limited to the items and projects that were shifted in 1960. It was not feasible to effect complete comparability by adjustment for items and projects that would have been shifted to research, development, test, and evaluation appropriations if the concept proposed for 1960 had been introduced in 1958 and 1959.

[2] About $2 billion each year; more accurate estimates are not available.

[3] Reflects net effect on total expenditures of research, development, test, and evaluation funds advanced to and disbursed by revolving and management funds.

Planned obligations for research, development, test, and evaluation are shown by major fields in table 5. Missile development will continue in 1960 to represent the largest area of activity. Increasing emphasis on solid propellant missiles and on the problem of defense against ballistic missiles are offset in 1960 by reduced funding requirements for missile systems going into production for service use. In the field of manned aircraft, much of the effort in 1960 will center on the development of new types of aircraft such as the B–70 and F–108 which will operate in high supersonic speed ranges and on the attendant problems of structures, propulsion, navigation, communications, and other equipment and components. Other problems of special interest are improvement of antisubmarine warfare capabilities and developments supporting new battlefield concepts; projects concerned with these problems are included in several of the fields shown. Although a decrease is estimated in the field of astronautics, a number of applications of military interest will be supported, and the apparent decrease in this area will be more than offset by increases in the space programs of the National Aeronautics and Space Administration. The amounts shown for management and support include only those amounts not directly distributed to the other fields.

TABLE 5.—*Estimated obligations of the Department of Defense for conduct of research, development, test, and evaluation*

[In millions]

Budget title and program	1958 actual	1959 estimate	1960 estimate
Research, development, test, and evaluation appropriations:			
1. Military sciences	$334.4	$360.3	$371.9
2. Aircraft and related equipment	442.5	472.6	487.3
3. Missiles and related equipment	904.3	1,341.8	1,437.6
4. Military astronautics and related equipment	17.4	345.9	309.1
5. Ships and small craft and related equipment	132.1	158.7	167.7
6. Ordnance, combat vehicles, and related equipment	179.1	188.8	235.0
7. Other equipment	323.6	379.9	430.8
8. Programwide management and support	135.1	137.8	133.0
9. Emergency fund and expired accounts	34.2	136.1	150.0
Total direct obligations, research, development, test, and evaluation appropriations	2,502.7	3,521.9	3,722.4
Procurement appropriations: [1]			
1. Aircraft	221.5	476.4	729.9
2. Missiles	1,367.3	1,253.7	1,062.3
3. Other	67.2	91.6	51.2
Total direct obligations, procurement appropriations	1,656.0	1,821.7	1,843.4
Military personnel appropriations	188.5	196.9	194.5
Total direct obligations	4,347.2	5,540.5	5,760.3

[1] Estimated amounts for items identified as development, test, and evaluation support.

RESEARCH AND DEVELOPMENT FACILITIES

Estimates of expenditures for the research, development, and test facilities of the Department of Defense shown in table 3 include all military 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 research, development, test, and evaluation programs. The decline in expenditures for the period shown reflects primarily the completion of a major expansion of development and test facilities required in support of the ballistic missile and other programs. A major program currently underway is the extension of the capabilities of the Pacific missile range to accommodate space and missile programs.

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 weapons. Current participants in the program, which is administered by the Department of Defense, are the United Kingdom,

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

France, the Netherlands, Belgium, Norway, Italy, West Germany, Denmark, and Turkey. Negotiations are currently carried on to extend this program to additional countries. Projects are financed by the United States and the countries undertaking particular developments. In some cases the United States exchanges information and provides technical assistance in addition to or in place of financial assistance.

The projects are conducted by scientists and technicians of the participating countries and are directed at developing equipment, weapons, and techniques which fulfill mutual defense requirements and utilize outstanding research and development contributions by these countries. Expenditure estimates in table 6 represent United States participation.

TABLE 6.—*Expenditures of the mutual weapons development program for research and development*

[In millions]

Function	1958 actual	1959 estimate	1960 estimate
060 Major national security	$34.8	$35.1	$33.0

Beginning in 1959, part of the expenditures will be incurred in foreign currencies. It is estimated that approximately the equivalent of $3 million in such currencies will be expended in 1959 and $6 million in 1960.

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 special nuclear 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 to 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 7.—*Expenditures of the Atomic Energy Commission for research and development*

[In millions]

Functions and programs	Conduct of research and development			Research and development facilities		
	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
060 Major national security:						
Production and weapons	$110.6	$104.3	$85.5	$8.5	$14.8	$7.3
Reactor development	289.6	350.3	379.6	64.9	93.3	110.2
Physical research	82.2	118.8	135.7	14.7	30.7	37.4
Biology and medicine	33.7	41.4	47.0	4.0	1.5	1.6
Isotopes development	------	2.8	4.1	------	.2	1.5
Equipment not included above	------	------	------	28.8	32.2	35.7
Total, Atomic Energy Commission	516.1	617.6	651.9	120.9	172.7	193.7

The program of research and development for production and weapons is 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 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 addition, research and development with devices directed toward the development of nonmilitary uses of nuclear explosions is being pursued.

In the field of reactor development, increasing effort is being devoted to developing means for producing economic electric power from atomic reactors through a variety of technical approaches. Several nuclear powerplant design studies are being undertaken. 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 facilities in this area are mainly for engineering laboratory buildings, facilities for testing reactor experiments, and experimental civilian atomic power reactors.

The Commission is developing numerous types of reactors for military use, principally propulsion reactors for military aircraft, missiles and naval combatant ships. Increased emphasis is being given to the development of satellite power reactors and propulsion reactors suitable for use in destroyers, including the construction of a prototype destroyer reactor. By 1960, prototypes of several other naval propulsion reactors will be completed and placed in operation. In addition, reactors are being developed in cooperation with the Army to meet a variety of specialized military requirements.

The 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 those 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 yields applications beyond the field of atomic energy. Construction expenditures include those for four new multibillion electron volt particle accelerators at Brookhaven National Laboratory, Upton, Long Island; Cambridge, Mass.; Princeton, N. J.; and Argonne Laboratory, Lemont, Ill.

Continued emphasis is being given to the development of experimental devices to achieve controlled thermonuclear reactions. Design, fabrication, and operation of improved devices of intermediate size is going forward at four Commission laboratories. Additional laboratory facilities are being constructed, primarily at Princeton University.

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.

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

In the field of isotope development increasing effort is being devoted to 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 with the ultimate objective of exploiting the practical application of radioisotopes and applied radiation to industrial products, processes, and manufacturing methods.

National Aeronautics and Space Administration

The National Aeronautics and Space Administration is responsible for conducting space programs other than those of specific military interest and for continuing the research programs of the National Advisory Committee for Aeronautics, which was terminated when the Administration was established October 1, 1958. In carrying out its program, the Administration utilizes the capabilities of universities, industry, and other Government agencies and operates directly three research laboratories, a center for the conduct of space projects, and two flight stations; a fourth research laboratory is operated by contract.

Table 8.—*Expenditures of the National Aeronautics and Space Administration for research and development*

[In millions]

Function and purpose	1958 actual	1959 estimate	1960 estimate
500 Commerce and Housing:			
Conduct of research and development	$72.0	$128.0	$245.0
Research and development facilities	17.2	25.0	35.0
Total, National Aeronautics and Space Administration	89.2	153.0	280.0

During 1959 the Administration is inaugurating an extensive program of scientific investigations in space. Satellites, lunar probes, and deep space probes will be used to increase understanding of the earth's outer atmosphere; the medium of space; the moon and the planets; the earth's gravitational, magnetic and electric fields; radiation from space; and other phenomena. Of future practical importance are programs in the fields of meteorology and communications. The space technology program includes projects directed toward an early and substantial increase in the capability to place very heavy objects in space; these projects include high energy fuel rockets, a million pound thrust single chamber engine, and, in cooperation with the Atomic Energy Commission, a nuclear rocket engine. Special emphasis is being placed on development of the technology of manned space flight.

The increase in expenditures for conduct of research and development shown for 1960 reflects the planned intensification of the Administration's programs in all of the fields outlined above and the initiation of new programs such as preliminary studies looking toward future development of an orbiting space laboratory. Research in support of military aircraft and missile programs will be continued in 1960 at approximately the same level as previously conducted by the National Advisory Committee for Aeronautics.

Increases of research and development plant currently underway or planned for 1959 in support of the Administration's space programs include initiation of the Space Projects Center, to be located at Beltsville, Md.; extension of the capabilities of the Pilotless Aircraft Station at Wallops Island, Va., to accommodate launching of space vehicles; improvement of tracking networks; and establishment of space propulsion development and test facilities. Additions to the Space Projects Center proposed for 1960 include a central flight control and operations facility, a space sciences laboratory, and an instrument laboratory. Other new projects proposed for 1960 include special equipment for the X–15 research aircraft program; a facility for applied research in the problems of ion and plasma propulsion of spacecraft; and establishment of launching facilities at the Pacific missile range of the Department of Defense. In both years improvements of the existing facilities of the research centers will continue to be made.

Department of Health, Education, and Welfare

The major research expenditures of the Department of Health, Education, and Welfare are under programs of the Public Health Service. Research is also conducted in the Department by the Office of Education, the Food and Drug Administration, the 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	1958 actual	1959 estimate	1960 estimate
210 Labor and welfare	$179.2	$235.7	$250.8

The expenditures of the Public Health Service for research are chiefly by the various institutes of the National Institutes of Health, organized by disease category, as illustrated in the following.

Table 10.—*Expenditures of the Public Health Service for research and development*

[In millions]

Organizational unit and program	1958 actual	1959 estimate	1960 estimate
National Institutes of Health:			
Cancer	$38.0	$49.8	$50.3
Mental Health	17.6	18.4	21.2
Heart	24.9	29.6	31.4
Dental Research	3.8	4.7	4.7
Arthritis and Metabolic Diseases	15.0	23.6	24.0
Allergy and Infectious Diseases	16.2	19.9	20.2
Neurological Diseases and Blindness	13.6	18.4	18.7
General research and other	13.2	21.8	26.3
Grants for construction of medical and dental research facilities	12.1	20.0	20.0
Bureau of State Services	13.3	15.2	16.6
Other, Public Health Service	2.9	2.9	3.1
Total, Public Health Service	170.6	224.3	236.5

One-quarter of the Public Health Service expenditures is spent for research undertaken in Government laboratories. The balance is for grants to universities, hospitals, and other research centers for medical research in the causes and cure of diseases and for related basic research in the life sciences. These grants include funds for the conduct of research and for the support of research facilities. In 1957 a 3-year program of matching grants to universities and other nonprofit institutions was enacted, authorizing a total of $90 million in assistance for the

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

construction of health research facilities. This program was recently extended for another 3-year period.

In 1960 expenditures of the Public Health Service will continue to increase over 1959, a year which experienced a substantial expansion of medical research support through appropriations for programs of the National Institutes of Health.

Expenditures of the Office of Education for research on educational problems of broad national importance will increase significantly in 1960. The Office conducts studies through its own staff and through contracts for cooperative research with colleges and universities and with State departments of education. Under the National Defense Education Act of 1958 grants to State universities were authorized for research in the area of foreign language teaching and for studies and experimentation in the more effective utilization of television, radio, motion pictures, and related mediums for educational purposes.

Elsewhere in the Department increased expenditures are estimated for research programs of the Office of Vocational Rehabilitation in the solution of vocational rehabilitation problems; the Food and Drug Administration in connection with its enforcement activities; and 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

Over four-fifths of the research expenditures of the Department of Agriculture are accounted for by programs of the Agricultural Research Service. The balance is divided among research activities of the Forest Service, the Agricultural Marketing Service, and to a lesser extent the Farmer Cooperative Service, the Foreign Agricultural Service, and the departmental library.

TABLE 11.—*Expenditures of the Department of Agriculture for research and development*

[In millions]

Function	1958 actual	1959 estimate	1960 estimate
350 Agriculture and agricultural resources	$100.5	$113.9	$114.9
400 Natural resources	10.2	14.4	12.5
Total, Department of Agriculture	110.7	128.3	127.4

The Agricultural Research Service conducts research on animal husbandry, diseases and parasites and on crop production, entomology, soil and water conservation, farm economics, and agricultural engineering. One-third of its funds for the conduct of research are for grants to support State agricultural experiment stations established in land-grant colleges. In 1960 expenditures of the Agricultural Research Service will be maintained at a high level, with increasing attention to basic research in the agricultural services. Additional expenditures are estimated for completing new laboratories at Plum Island, New York, for a comprehensive attack on foot and mouth and other dangerous foreign diseases of animals and for new facilities for research on domestic diseases of animals, now under way at Ames, Iowa.

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 undertakes research on farmers' cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying farm business services. The departmental library supplies data to research workers on the results of studies undertaken in the field of agricultural research.

NATIONAL SCIENCE FOUNDATION

Under basic legislation, enacted in 1950, and Executive Order 10521, issued in 1954, the National Science Foundation is responsible for the general encouragement and support by the Federal Government of 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 12.—*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	$20.7	$52.3	$79.1
International Geophysical Year	14.1	7.7	1.4
Total, National Science Foundation	34.8	60.0	80.5

The 1960 budget will provide support for a greater number and higher proportion of promising research proposals submitted to the Foundation. The Foundation is also aiding the advancement of basic research by providing for the construction and maintenance of specialized facilities for scientific experimentation and investigation. Such facilities include radio and optical astronomy observatories, a solar research telescope, reactors for nuclear research, university computers, and an oceanographic research vessel. Support is also provided for specialized biological laboratories and for an experimental program to aid graduate laboratories in universities.

In addition to its direct support of research, the National Science Foundation is responsible for studying the Nation's research effort and recommending to the President policies relating to the role of the Federal Government in the encouragement, support, and conduct of research, and education in the sciences.

The Foundation has also provided financial support for the United States program for the International Geophysical Year. This worldwide program involving concurrent scientific observations by scientists of over 60 nations during the period July 1957 through December 1958 has significantly advanced the world's knowledge of the earth and its environment, including conditions above the atmosphere through the launching of earth-circling satellites. Funds for this program for establishing and maintaining observation stations and for procurement of scientific equipment have largely been reflected in expenditures prior to 1959.

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

Department of the Interior

The major research and development programs in the Department of the Interior are under the Bureau of Mines, Geological Survey, and Bureau of Commercial Fisheries and Bureau of Sport Fisheries and Wildlife of the Fish and Wildlife Service. Research activities are also conducted by the Office of Saline Water, Bureau of Reclamation, and the National Park Service. Expenditures for research and development by the Department of the Interior are directed primarily to the conservation and efficient utilization of the Nation's natural resources.

Table 13.—*Expenditures of the Department of the Interior for research and development*

[In millions]

Function	1958 actual	1959 estimate	1960 estimate
400 Natural resources	$46.6	$57.0	$59.1

The Bureau of Mines conducts scientific, technologic, and economic research into the sources, extraction, utilization, and conservation of minerals and into the improvement of working conditions in mines.

The Geological Survey investigates the availability and quality of surface and underground waters; the nature and occurrence of minerals and mineral fuels; geologic studies of construction materials and systematic geologic studies, and the improvement of cartographic techniques.

The Bureau of Commercial Fisheries conducts biological and industrial research directed toward the conservation, development, and management of commercial fishery resources.

The research activities of the Bureau of Sport Fisheries and Wildlife are primarily concerned with the development and perpetuation of the Nation's fish and wildlife resources for the purpose of promoting the maximum enjoyment and utilization of these resources.

Federal Aviation Agency

The Federal Aviation Agency, which came into existence on August 23, 1958, undertakes research to provide for the development and modernization of the national system of air traffic control and navigation to serve present and future needs of civil and military aviation. The agency has assumed the research programs formerly conducted by the Civil Aeronautics Administration and the Airways Modernization Board.

Table 14.—*Expenditures of the Federal Aviation Agency for research and development*

[In millions]

Function	1958 actual	1959 estimate	1960 estimate
500 Commerce and housing	$4.2	$32.8	$47.1

The responsibilities of the Federal Aviation Agency include research in all areas of civil and military aviation except for those needs of military agencies which are peculiar to air warfare and primarily of military concern. The program will provide for the development and selection of systems, procedures, facilities, and devices which will best serve aviation needs and promote maximum coordination of air traffic control and air defense systems.

The 1960 estimate provides for improvement in the Nation's airways system through the adaptation of existing technology to the problems of air traffic control and navigation, and long-range research and development with respect to air navigation and traffic control problems of the future. Projects include continued study of the present airways system and projections of future requirements, theoretical systems analysis of proposed facilities, development and testing of an automatic data processing and display system, long-range development of data processing techniques, participation in the development of an aviation weather system. Also included is construction of necessary facilities and operation of the National Aviation Facilities Experimental Center.

In addition, the program reflects research and development work on aeronautical instruments and equipment, and on human problems relating to aircraft design and operation.

Department of Commerce

The principal research and development program of the Department of Commerce is that of the National Bureau of Standards. Research programs are also conducted by the Maritime Administration and the Weather Bureau, and to a lesser extent by the Bureau of the Census, the Office of Business Economics, the Patent Office, and the Coast and Geodetic Survey.

Table 15.—*Expenditures of the Department of Commerce for research and development*

[In millions]

Function	1958 actual	1959 estimate	1960 estimate
210 Labor and Welfare	$8.4	$14.1	$16.7
500 Commerce and housing	4.1	6.6	8.9
600 General government	2.6	4.1	4.8
Total, Department of Commerce	15.1	24.8	30.4

Expenditures from funds appropriated to the National Bureau of Standards will increase substantially in 1960 to expand the Bureau's program to improve standards of physical measurement.

The Maritime Administration conducts research designed to improve marine engines, ship design, cargo handling machines, and techniques and nuclear propulsion for commercial purposes. The 1960 expenditure estimates reflect the completion of major projects for nuclear research during that year.

The Weather Bureau conducts programs for meteorological research, with special emphasis placed on severe storm phenomena, i. e., tornadoes and hurricanes. Work is also done on the development of weather forecasting by means 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 Office of Civil and Defense Mobilization, the Federal Communications Commission, the General Services Administration, the Housing and Home Finance Agency, the Department of Labor, the Post Office Department, the Smithsonian Institution, the Small Business Administration, the State Department, the Tennessee Valley Authority, the Treasury Department, the United States Information Agency, and the Veterans Administration.

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Special Analysis H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

TABLE 16.—*Reconciliation with special analysis D, investment operating, and other budget expenditures*

[In millions]

Category	1958 actual	1959 estimate	1960 estimate
Amounts for conduct of research and development included in:			
Expenditures for other developmental purposes: Research and development:			
Civil:			
Direct Federal programs	$433	$614	$770
Grants-in-aid	39	39	37
Major national security	2,696	3,794	4,256
Current expenditures for aids and special services: International: Major national security: Funds appropriated to the President: Military assistance [1]	35	35	33
Total, conduct of research and development	3,203	4,482	5,096
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	23	48	68
Major national security: Research and development plant	228	248	247
Major equipment:			
Civil: Research and development plant	2	7	10
Major national security: Research and development plant	29	32	36
Expenditures for other developmental purposes:			
State and local physical assets: Grants-in-aid:			
Public works items, research and development plant	3	5	5
Other than public works items, research and development plant		2	4
Private physical assets: Direct Federal programs: Research and development plant	10	17	19
Rounding adjustment			−1
Total, increase of research and development plant	295	359	388

[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 programs reflected in this special analysis assist, as an important byproduct, 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, State grants-in-aid, 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 which assist in or are directed toward increasing the general 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 are excluded many 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 expanded programs for education in the sciences of the National Science Foundation and the related new programs of the Department of Health, Education, and Welfare under the National Defense Education Act of 1958. The Foundation programs, totaling $67 million in new obligational authority in 1960, are designed to interest more young people in science careers; to improve courses and methods of teaching science and mathematics; to supplement the training of teachers in these fields, particularly at the high school and university levels; and to provide greater opportunity for post-graduate and other advanced study in the sciences. The assistance under these programs is primarily through grants to universities or through fellowships to individuals. The programs of the Department of Health, Education, and Welfare, which provide assistance to both science education and to education in other areas of critical national concern, include $57 million in new obligational authority in 1960 for the 2d year of the 4-year program of grants to States to assist local schools in equipping and remodeling laboratories, particularly in the sciences, and to provide funds for State supervisory services. Some of the other proposed activities to be undertaken by this Department, although concerned largely with other areas of education, would also aid science education; for example, under the student loan program for which $31 million is estimated for 1960 science students are among those given preference for financial assistance.

RESEARCH ASSISTANTSHIPS

In carrying out much of their Government-financed research under grants and contracts, educational institutions employment research assistants, who are completing undergraduate, graduate or postgraduate training, to perform junior level research work on Government projects. Such employment contributes to the advanced training of students, and, through the income it provides, indirectly assists them in furthering their education. It is estimated that some 20,000 to 30,000 graduate students would be employed as research assistants in 1960 under Federal research and development grants and contracts.

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 but 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 1960 the Department will award upwards of 3,000 fellowships to improve teaching, research, and graduate training in the natural and social sciences fields

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

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 1960 about 1,200 fellowships will be awarded 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 1960 approximately 1,600 fellowships for predoctoral and postdoctoral study in the sciences, with emphasis on training in the natural sciences. The Foundation will continue the program begun in 1959 to provide fellowships for summer study in the sciences to an estimated 1,300 high school teachers and college teaching assistants. The National Science Foundation has also inaugurated in 1959 a program of cooperative graduate fellowships to be administered with the assistance of participating colleges and universities. Under this program some 1,000 students will be aided in 1960.

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, 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 2,400 specialized fellowships and traineeships for graduate study primarily in medical specialties during 1960.

The Atomic Energy Commission supports graduate students in such fields as reactor technology, radiological physics, and industrial health and medicine. In 1960 the Commission will award about 375 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 1960 training grants totaling about $50 million for 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 $6 million in 1960 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 $5 million will be allocated in 1960. 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.

OTHER AIDS TO SCIENCE TEACHING

Closely related to training grants with respect to providing a variety of aids for science teaching are several other programs of the Federal Government, chiefly those of the Department of Health, Education, and Welfare under the Defense Education Act and those of the National Science Foundation under its expanded science education program.

The largest single program of the Foundation in this area is the support of training institutes to provide supplementary training for high school and college science teachers. In 1960 the Foundation will allocate over $33 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. Some 27,000 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 directed to the improvement of high school and college science courses. For these and other specialized projects in science education the Foundation will spend more than $17 million in 1960.

Under the Defense Education Act of 1958 the Department of Health, Education, and Welfare will make grants, totaling $57 million in 1960, to assist local schools in equipping and renovating laboratories, particularly in the sciences, and to aid in meeting State supervisory costs. In addition $7 million in loans to private schools is provided.

The Atomic Energy Commission operates schools and conducts courses in nuclear science and engineering, reactor operation and hazards, and the use of radioisotopes for graduate and undergraduate students and for industrial personnel and medical workers. This program is estimated to cost $2.6 million in 1960.

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SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

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 the 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, medical and dental internships and residencies at Government hospitals, and fellowships awarded under the National Defense Education Act of 1958.

NET BUDGET EXPENDITURES FOR FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS

Based on existing and proposed legislation

[In thousands]

Function and agency	Functional code	1958 actual			1959 estimate			1960 estimate		
		Conduct of research and development	Research and development facilities	Total	Conduct of research and development	Research and development facilities	Total	Conduct of research and development	Research and development facilities	Total
MAJOR NATIONAL SECURITY										
Department of Defense—Military Functions	061	$2,178,623	$135,764	$2,314,387	$3,174,560	$107,403	$3,281,963	$3,602,715	$89,394	$3,692,109
Atomic Energy Commission	066	516,132	120,850	636,982	617,556	172,709	790,265	651,868	193,735	845,603
General Services Administration: From funds appropriated to the President for expansion of defense production	067	1,446		1,446	1,557		1,557	994		994
Department of Defense: Military assistance: From funds appropriated to the President for military assistance	068	34,774		34,774	35,100		35,100	33,000		33,000
Total, major national security		2,730,975	256,614	2,987,589	3,828,773	280,112	4,108,885	4,288,577	283,129	4,571,706
VETERANS' SERVICES AND BENEFITS										
Veterans Administration	105	11,771		11,771	15,987		15,987	12,331		12,331
INTERNATIONAL AFFAIRS AND FINANCE										
Department of State	151	318		318	315		315	298		298
United States Information Agency	153	87		87	84		84	115		115
Total, international affairs and finance		405		405	399		399	413		413
LABOR AND WELFARE										
Department of Labor:										
Bureau of Labor Standards	211	340		340	392		392	363		363
Bureau of Employment Security	211				823		823	779		779
Bureau of Labor Statistics	211	651		651	729		729	683		683
Women's Bureau	211	160		160	181		181	165		165
Department of Health, Education, and Welfare:										
Social Security Administration:										
Office of the Commissioner	212							475		475
Children's Bureau	213	1,941		1,941	2,060		2,060	2,212		2,212
Food and Drug Administration	213	1,514		1,514	1,852		1,852	1,929		1,929
Public Health Service	213	157,067	13,551	170,618	199,752	24,570	224,322	208,563	27,920	236,483
Office of Education	214	1,942		1,942	3,252		3,252	4,750		4,750
National Scie ce Foundation	215	30,545	4,304	34,849	49,072	10,951	60,023	63,532	16,956	80,488
Smithsonian Institution	215	379		379	401		401	401		401
Department of Commerce:										
Bureau of the Census	215	579		579	1,002		1,002	628		628
National Bureau of Standards	215	7,541	303	7,844	10,430	2,682	13,112	11,881	4,249	16,130
Funds appropriated to the President: Special foreign currency program	215				1,400		1,400	1,600		1,600
Department of Health, Education, and Welfare: Office of Vocational Rehabilitation	217	3,197		3,197	4,200		4,200	5,000		5,000
Total, labor and welfare		205,856	18,158	224,014	275,546	38,203	313,749	302,961	49,125	352,086

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Special Analysis H—Continued

NET BUDGET EXPENDITURES FOR FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	Functional code	1958 actual			1959 estimate			1960 estimate		
		Conduct of research and development	Research and development facilities	Total	Conduct of research and development	Research and development facilities	Total	Conduct of research and development	Research and development facilities	Total
AGRICULTURE AND AGRICULTURAL RESOURCES										
Department of Agriculture:										
Agricultural Research Service	355	$87,041	$2,864	$89,905	$93,227	$9,083	$102,310	$94,588	$8,912	$103,500
Farmer Cooperative Service	355	369		369	424		424	423		423
Agricultural Marketing Service	355	9,502	68	9,570	10,496	20	10,516	10,258	12	10,270
Foreign Agricultural Service	355	375		375	393		393	396		396
Library	355	274		274	303		303	284		284
Total, agriculture and agricultural resources		97,561	2,932	100,493	104,843	9,103	113,946	105,954	8,924	114,878
NATURAL RESOURCES										
Tennessee Valley Authority	401	2,445	3	2,448	2,697	36	2,733	2,711	4	2,715
Department of Defense—Civil Functions	401	2,337		2,337	2,266		2,266	2,760		2,760
Department of the Interior:										
Office of Saline Water	401	780		780	1,175		1,175	1,355	300	1,655
Bureau of Reclamation	401	1,060		1,060	920		920	1,243		1,243
Department of Agriculture: Forest Service	402	10,163		10,163	12,737	1,625	14,362	11,636	875	12,511
Department of the Interior:										
Bureau of Mines	403	18,720	21	18,741	20,468	1,002	21,470	21,210	719	21,929
Fish and Wildlife Service	404	11,131	107	11,238	13,421	1,147	14,568	14,233	1,375	15,608
National Park Service	405	503		503	546		546	592		592
Geological Survey	409	14,200	79	14,279	18,300	6	18,306	18,100		18,100
Total, natural resources		61,339	210	61,549	72,530	3,816	76,346	73,840	3,273	77,113
COMMERCE AND HOUSING										
Department of Commerce: Maritime activities	511	2,351		2,351	4,500		4,500	6,500		6,500
Treasury Department: Coast Guard	511	332		332	348		348	348		348
Federal Aviation Agency	513	4,246		4,246	31,747	1,096	32,843	39,372	7,769	47,141
National Aeronautics and Space Administration	513	71,967	17,226	89,193	128,000	25,000	153,000	245,000	35,000	280,000
Post Office Department	514	3,091		3,091	6,446	425	6,871	7,160	50	7,210
Housing and Home Finance Agency	517				72		72			
General Services Administration	518	55		55						
Department of Commerce:										
Coast and Geodetic Survey	518	348		348	368		368	373		373
Office of Business Economics	518	1,020		1,020	1,296		1,296	1,395		1,395
Patent Office	518	365		365	435		435	605		605
Small Business Administration	518				1,400		1,400	2,080		2,080
Civil Aeronautics Board	519	64		64	88		88	123		123
Federal Communications Commission	519	125		125	139		139	244		244
Executive office of the President: Office of Civil and Defense Mobilization	520	7,990		7,990	6,044		6,044	3,961		3,961
Total, commerce and housing		91,954	17,226	109,180	180,883	26,521	207,404	307,161	42,819	349,980
GENERAL GOVERNMENT										
Treasury Department: Bureau of Engraving and Printing	604	203		203	257		257	279		279
Civil Service Commission	606	133		133	146		146	146		146
Advisory Committee on Weather Control	607	187		187	13		13			
Department of Commerce: Weather Bureau	607	2,631		2,631	3,381	700	4,081	4,182	600	4,782
Total, general government		3,154		3,154	3,797	700	4,497	4,607	600	5,207
Total, all functions		3,203,015	295,140	3,498,155	4,482,758	358,455	4,841,213	5,095,844	387,870	5,483,714

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Special Analysis I

PRINCIPAL FEDERAL STATISTICAL PROGRAMS

The Budget for 1960 includes requests amounting to $38.2 million for the current programs of the major Federal statistical agencies, an increase of $1.6 million over the amount provided in 1959. In addition, funds totalling $92.8 million are requested for periodic programs, primarily the decennial censuses.

This special analysis describes the changes in the statistical program which are proposed for 1960, including changes in responsibilities and increases in funds, both of which are expected to result in improvements and better balance of the overall Federal statistical program. These improvements will be reflected in the amount and usefulness of the information provided to the Congress, the Council of Economic Advisers, the executive departments and agencies, and other public and private analysts who need data to appraise the functioning of the economy, the welfare of the people, and the status of particular Federal programs.

The need for comprehensive, timely and accurate information, collected by various agencies in the course of performing their specific functions, but integrated into a coordinated intelligence plan, has long been recognized. The increased funds requested for 1960 will further a program to bring our statistical resources to a level demanded by modern needs, although they will by no means bring it to full-scale accomplishment. The improvements build on the concept, made explicit last year, of using the national income and product accounts as a framework for appraising weaknesses and gaps in economic statistics. In addition, a few of the most essential requirements for maintaining and improving statistics to meet specialized program objectives have been included in the 1960 budget request.

PROPOSED TRANSFERS OF RESPONSIBILITIES

Construction statistics.—Arrangements have been made to improve significantly the Federal Government's collection and dissemination of construction statistics. They will be consolidated in the Department of Commerce and a substantial increase in funds to finance expanded work is recommended.

Previously, statistics on construction of residential units and public construction were compiled by the Bureau of Labor Statistics in the Department of Labor and private nonresidential construction statistics were compiled by the Business and Defense Services Administration in the Department of Commerce. Also, in 1959, appropriations to the Bureau of the Census provided an increase of $120,000 over 1958 to initiate collection of reports on the progress of construction of large projects.

Under the new plan, the Bureau of the Census will collect and release statistics on all phases of construction, including the widely used figures on housing starts and dollar volume of construction activity. In 1960, an increase of $400,000 is requested for the integrated construction statistics program. These new funds, together with the amounts previously available in the Bureau of Labor Statistics, the Business and Defense Services Administration, and the Bureau of the Census, will provide the construction statistics described below under Current programs, with needed improvements.

Labor force statistics.—Arrangements have been made to give the Department of Labor the responsibility for planning, guidance, and publication of labor force statistics obtained from the Current Population Survey. At the present time, the Census Bureau publishes labor force and overall employment and unemployment statistics, while the Bureau of Labor Statistics collects data on nonagricultural employment based on establishment payroll reports, and the Bureau of Employment Security compiles statistics on unemployment insurance claims. Under the new plan, the Department of Labor will publish current comprehensive labor force, employment and unemployment information in place of the joint release of this information previously made by the Departments of Commerce and Labor. The Bureau of the Census will continue to collect and tabulate labor force statistics from its Current Population Survey sample of households as an agent of the Bureau of Labor Statistics. These new arrangements do not involve any overall increase in funds but analysis of labor force, employment and unemployment statistics will be facilitated and usefulness of the statistics will be enhanced by consolidating the responsibility for these programs in a single agency.

CURRENT PROGRAMS

Growth in the principal current statistical programs reflects the continued demand for improvement in our statistical system. Users want more reliable statistics, in greater detail, on a faster time schedule. In 1960, principal emphasis is centered on the improvement of construction statistics, and the necessary work of repairing and maintaining at acceptable levels of accuracy a number of the important current economic indicators. The 1959 appropriations provided for minor expansion in a number of fields with some emphasis on the areas of production and distribution and national income accounts. About half of the dollar increase shown between 1959 and 1958 is accounted for by the additional costs of the pay increase and increased postal rates.

The summary of principal current statistical programs shown below consolidates the programs of the major agencies, classifying them by broad subject matter area to indicate the interrelationships of programs carried out by different agencies and to aid in evaluating the Government's overall statistical system. The increases are limited to the most urgent items.

Direct obligations for principal current statistical programs, by broad subject areas

[In millions]

Program	1958 actual	1959 estimate	1960 estimate
Labor statistics (Departments of Labor, Commerce, and Agriculture) [1]	$6.4	$6.9	$7.4
Demographic statistics (Departments of Commerce, Agriculture, and Health, Education, and Welfare)	5.5	5.9	6.0
Prices and price indexes (Departments of Labor and Agriculture)	3.5	3.8	4.1
Production and distribution statistics (Departments of Agriculture and Commerce)	12.9	14.0	14.1
Construction and housing statistics (Departments of Commerce and Labor) [2]	.8	.8	1.2
National income and business financial accounts (Departments of Commerce, Treasury, and Agriculture; Federal Trade Commission, and Securities and Exchange Commission)	4.6	5.1	5.3
Total, principal current programs	33.7	36.6	38.2

[1] Departments of Labor and Agriculture in 1960.
[2] Department of Commerce in 1960.

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SPECIAL ANALYSIS I—Continued

PRINCIPAL FEDERAL STATISTICAL PROGRAMS—Continued

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. Many other agencies contribute to the statistical system by recording and reporting on their administrative operations or summarizing regulatory reports, claims for benefits, or other information supplied by the public. In the interests of economy, the statistical system makes as much use as possible of such administrative recordkeeping, rather than initiating duplicate collections of data. Budget information for such agencies is not uniformly included in this summary, however, because of the difficulty of allocating separate cost figures for statistical information arising as a byproduct from program operations.

Shifts of emphasis among the broad subject areas are summarized in the discussion below, which lists the more important proposals in each area. In comparison with similar summaries in the past, the classification by broad areas has been affected by the proposed transfer of responsibility for labor force data from the Department of Commerce to the Department of Labor. In former years, all statistics derived from the Current Population Survey were classified as labor statistics, since this was their principal nature. Now, those statistics subject to the transfer continue to be included with labor statistics, and the remainder have been shown as demographic statistics. Estimates of the cost of such demographic statistics have been made for 1958 and 1959 so that the figures shown in the summary in this analysis are on a comparable basis for each subject area.

Labor statistics.—Two increases over the present program are recommended for 1960, both of which concern projects that are to be undertaken by the Bureau of Labor Statistics. In the first, estimates of labor requirements for specific types of construction activity, based on modern construction methods, will be developed for use in estimating the impact of new construction programs on employment and for improving productivity statistics. An increase of about $160,000 is included for this proposal. The second project requires about $250,000 to provide for converting the monthly employment, hours and earnings, and industrial hazards series to the revised Standard Industrial Classification. As a necessity for maintaining Government statistical series on a comparable basis, the Bureau of the Budget has recommended that all agencies adopt this revised classification and introduce it into their statistical compilations for 1958 or as soon thereafter as possible.

Other programs in this subject area, for which no increases are requested in 1960, are the statistics compiled by the Bureau of Labor Statistics on wages, labor turnover, and foreign labor conditions, as well as the labor force, employment and unemployment statistics for which responsibility will be transferred to the Labor Department in 1960. This area also includes statistical work by the Agricultural Marketing Service on farm labor.

Demographic statistics.—An increase of nearly $100,000 over the 1959 estimated obligations is requested for the Office of Education in the Department of Health, Education, and Welfare, in large part to provide additional mechanical tabulation facilities. Not included in this analysis are funds under title X of the National Defense Education Act for grants to the States for improvement of educational statistics which amount to $1 million estimated obligations in 1959 and $1.5 million in the 1960 budget request.

No changes are requested for other current programs of demographic statistics, which include: National statistics of births, deaths, marriages, and divorces compiled by the National Office of Vital Statistics in the Public Health Service; the National Health Survey conducted by the Public Health Service; population characteristics, estimates and projections, migration, and income statistics prepared by the Bureau of the Census; and studies of the farm population by the Agricultural Marketing Service.

Prices and price indexes.—An increase of more than $200,000 over 1959 is recommended for the Bureau of Labor Statistics to improve price reporting for the Consumer Price Index by increasing the frequency of price collection for important commodities which show wide price fluctuations; by expanding the pricing sample to include better representation of certain types of articles; and by increasing the number of price quotations per city for items for which price variability is large. These changes will enable the Consumer Price Index to reflect sudden price changes both more accurately and more promptly. An additional request for funds for preparatory work in 1960 for a periodic revision of the Consumer Price Index is described below, under Periodic programs.

No changes are proposed for the wholesale price series compiled by the Bureau of Labor Statistics nor for the programs of the Agricultural Marketing Service on prices received and paid by farmers and on factors affecting prices, supply, and consumption of agricultural products.

Production and distribution statistics.—In 1960, about $100,000 is recommended for improving the accuracy and usability of foreign trade statistics compiled by the Bureau of the Census by providing funds to work with the Customs Bureau and importers and exporters to eliminate inaccuracies in the basic documents and to improve the summary tabulations for analysis of foreign trade. Increases in 1959 appropriations provided for some improvements in the field of agricultural production. The 1959 budget involved increases in several Census Bureau programs, as part of the integrated program to improve basic current statistics on the operation of the economy and to strengthen our national economic accounts, for improving sales and inventory statistics for manufacturing industries and for retail and wholesale trade.

In 1960 other programs in this area are expected to remain at the 1959 level. They are: The current programs of the Bureau of the Census on retail, wholesale, and service trades, manufacturing, and agriculture; the Agricultural Marketing Service programs on crop and livestock estimates; and the Agricultural Research Service program on the economics of farm production.

Construction and housing statistics.—In 1959, the Bureau of the Census initiated work, primarily methodological, looking toward the development of improved estimates of construction activity. With additional funds and the centralized responsibility for construction statistics, as explained above, the Census Bureau in 1960 will maintain the present series on housing starts and construction activity, will work toward the improvement in coverage and accuracy of these series and will initiate a new quarterly series on expenditures for maintenance, repairs, and alterations of existing properties.

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SPECIAL ANALYSIS I—Continued

PRINCIPAL FEDERAL STATISTICAL PROGRAMS—Continued

Under the proposed arrangements, there will be no program for compilation of construction and housing statistics either in the Bureau of Labor Statistics or the Business and Defense Services Administration. However, labor requirements for construction activity, as noted above, will be developed by the Bureau of Labor Statistics as part of its work on productivity estimates.

National income and business financial accounts.—An increase over the 1959 program of about $150,000 is requested for further improvement and extension of the national income accounts. In 1959, the Office of Business Economics is preparing quarterly estimates of gross national product in constant dollars, is initiating preparatory work on estimates of purchases and sales by industry, and has begun a survey of United States private investments in foreign countries. The funds requested in 1960 will provide for completing the survey of foreign investments, for developing product estimates in constant dollars by industry, and for expanding work on the estimation of purchases and sales by industry. Real net product estimates by industry, consistent with other national income and product estimates, will provide an additional tool for the analysis of current economic conditions by showing changes in the contribution each major industry makes to the net national product.

The category "National income and business financial accounts" 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 reports 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. In 1959, for the first time, important items of information from individual income tax returns were tabulated and made available by the Internal Revenue Service within the year in which the returns were filed. This speeded-up program will be continued. No increases in funds, other than those noted above for the Office of Business Economics, have been requested for 1960 for the programs included in this category.

PERIODIC PROGRAMS

Periodic programs are summarized separately because the wide fluctuations in their costs from year to year would obscure comparisons of annual costs of the current statistical programs, and would prevent drawing reasonable conclusions on the status of these programs. Included in the periodic programs are the major censuses, scheduled by law at 5- or 10-year intervals, and initiation of a major program to revise the Consumer Price Index.

Periodic censuses.—The periodic censuses are important because they provide a wealth of information on a detailed classification basis, with many cross-classifications of characteristics which the current statistics programs cannot provide; because they supply information on small areas not available from any other source; and because they provide a frame or benchmark for many current statistical series.

Funds are requested to continue work on the censuses of business, manufactures, and mineral industries which will be taken early in 1959 covering the year 1958. These censuses, taken every 5 years, provide data on the volume of production and trade, the number, size, geographical distribution, and other characteristics of 3.3 million business and industrial enterprises. The 1959 appropriation provided for the collection of the information, and the 1960 request for $6 million new obligational authority will provide for most of the processing and tabulating work and for printing preliminary bulletins. A final request will be required in 1961 to complete the tabulation of all summary tables and for the final printing costs.

Funds requested for the decennial census program in 1960, $86.5 million, represent a large part of the cost of the agriculture, population, and housing censuses. Appropriations for preparatory work on these censuses in 1958 and 1959 amounted to nearly $11 million and it is estimated that an additional $20.5 million for tabulating and printing in later years will bring the total cost of these three censuses to $118 million. These costs are based on the expectation that the population to be enumerated—the principal "workload"—will approach 180 million by April 1, 1960. Ten years ago, the population enumerated was just over 150 million. The number of farms, on the other hand, has decreased. Also implicit in these estimates are the savings made possible by specially developed electronic equipment. The funds requested in 1960 will provide for the enumeration and part of the processing and tabulating work for these censuses. A large part of the information on characteristics of population, housing, and farms will be collected from a 25% sample. This sampling, together with the use of electronic equipment, is expected to speed up the publication of detailed results, making them more timely and thereby considerably more useful. Enumeration of farms will begin in the fall of 1959 and of population and housing in April 1960.

The 1957 census of governments will be completed this year, and no funds are requested in 1960.

Major revision of the Consumer Price Index.—Every few years a survey of consumer expenditures is a necessary part of keeping the Consumer Price Index up to date. Occasional surveys of consumer buying are necessary to make the index reflect in proper proportion the effect of current price changes in specific grades and types of articles, shifts in types of outlets patronized, and other changes in consumer expenditure patterns which affect changes in the general price level. This basic series was last revised in 1950–52. An amount of $230,000 is recommended for the Bureau of Labor Statistics to engage in preparatory work on a consumer expenditure survey and other research necessary to appraise and revise the index. An effective revision will take a number of years and several million dollars. The revised index is not expected to be ready for publication before January 1963.

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Special Analysis I—Continued

PRINCIPAL FEDERAL STATISTICAL PROGRAMS—Continued

Direct obligations for principal statistical programs, by agency

[In millions]

Agency	1958 actual	1959 estimate	1960 estimate
CURRENT PROGRAMS			
Department of Agriculture:			
Agricultural Marketing Service:			
Economic and statistical analysis	$1.6	$1.6	$1.6
Crop and livestock estimates	5.7	6.3	6.3
Agricultural Research Service:			
Farm economics research	2.7	3.0	3.0
Department of Commerce:			
Bureau of the Census	8.2	8.7	8.7
Business and Defense Services Administration: Construction statistics	.1	.2	
Office of Business Economics	1.1	1.3	1.4
Department of Health, Education, and Welfare:			
Office of Education:			
Research and statistics	.6	.7	.8
Public Health Service:			
National Office of Vital Statistics	1.6	1.6	1.6
Public Health methods and reports	1.9	2.1	2.1
Department of Labor:			
Bureau of Labor Statistics	7.5	8.0	9.5
Treasury Department:			
Internal Revenue Service:			
Statistical reporting	2.4	2.7	2.7
CURRENT PROGRAMS—continued			
Federal Trade Commission:			
Financial reports	$0.2	$0.2	$0.2
Securities and Exchange Commission:			
Operational and business statistics	.2	.2	.2
Total, current programs	33.7	36.6	38.2
PERIODIC PROGRAMS			
Department of Commerce:			
Bureau of the Census:			
1958 censuses of business, manufactures, and mineral industries	1.2	7.3	6.0
18th decennial census	4.3	6.4	86.5
1957 census of governments	.8	.6	
1954 censuses of business, manufactures, and mineral industries	.1		
Department of Labor:			
Bureau of Labor Statistics:			
Revision of Consumer Price Index			.2
Total, periodic programs	6.4	14.3	92.8
Total, principal statistical programs	40.1	50.9	130.9

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Special Analysis J

FEDERAL HOSPITAL AND MEDICAL CARE PROGRAMS

This special analysis presents a broad picture of the scope and responsibilities of the directly operated Federal medical, hospital, and domiciliary programs, and of supplemental care of Federal legal beneficiaries through contractual arrangements. It summarizes Federal gross obligations for the program in 1958, 1959, and 1960 and also provides data on each agency program in more detail. Included also are gross obligations incurred for clinical research, construction, and in-hospital training and for related Federal grant programs.

Excluded are various programs not involving direct medical care at Federal expense such as Public Health Service grants and other services for disease control, the medical research activities of the National Institutes of Health, and the medical services of the vocational rehabilitation program of the Department of Health, Education, and Welfare. Also excluded are the public assistance grants for medical care, and minor direct medical care programs such as emergency first-aid rooms.

Gross obligations include those payable from all sources—general fund appropriations, trust funds, and collections from patients and other non-Federal sources. In the case of interagency reimbursements, obligations are reported under the agency conducting the program rather than under the agency which ultimately pays for it.

SUMMARY OF HOSPITAL AND MEDICAL CARE PROGRAMS

The medical services maintained by the Federal Government are increasing in number, variety, and magnitude. These services have come into being at different times during the past 150 years to serve different beneficiaries, e. g., veterans, personnel of the uniformed services and their dependents, American merchant seamen, narcotic addicts, etc. Just as the beneficiaries vary, so do the degrees of responsibility assumed by the Federal Government—ranging from complete care of veterans for disabilities incurred in war service to medical care for on-the-job injuries of Federal civilian employees. The Federal Government has potential responsibilities for all or part of the medical care of 31 million citizens. About one-eighth of all hospital beds in the country are operated by Federal agencies and gross obligations for Federal hospital and medical care programs constitute approximately 2% of the total Federal budget.

Beneficiaries.—The major groups of potential beneficiaries for whom the Federal Government has some degree of responsibility are set forth in the following summary table. Since some individuals are included in more than one category because of dual entitlement to care, the actual total number of beneficiaries is approximately 31 million.

Category	*Number*
Veterans of all wars	22,727,000
Dependents of uniformed services personnel	3,361,000
Active duty and retired uniformed services personnel	2,984,000
Federal employees for in-line-of-duty disabilities	2,382,000
American Indians and natives of Alaska	385,000
American merchant seamen	130,500
Civilian population of Panama Canal Zone	64,000
Narcotic addicts	60,000
Inmates of Federal prisons	20,900
Patients with leprosy	1,500
Total	32,115,900

Care in Federal hospitals.—To provide care for these legal beneficiaries, the agencies of the Federal Government operated 565 hospitals with 194,693 operating beds and an average daily patient load of 168,216 in 1958. One hundred five of these hospitals, with 13,700 operating beds and an average of 9,300 patients, were located in overseas areas including the Territories. In addition to hospitals, the Government also operated 18 domiciliary homes with an average daily member load of 18,037. The following table presents a comparative summary of the size and the distribution by agencies of the total Federal hospital resources and patient loads for 1958, 1959, and 1960.

Agency	Total hospitals 1958	Total operating beds, 1958	Average daily patient load		
			1958 actual	1959 estimate	1960 estimate
Veterans Administration	170	121,201	111,599	111,063	111,296
Department of Health, Education, and Welfare:					
Public Health Service:					
Division of Hospitals	16	6,539	5,282	5,280	5,274
Division of Indian Health	56	3,847	2,573	2,555	2,600
Freedmen's Hospital	1	387	324	322	306
National Institutes of Health	1	500	358	387	387
Saint Elizabeths Hospital	1	7,407	6,965	6,955	6,920
Department of Defense—Military Functions:					
Army	92	21,995	15,044	14,471	14,557
Navy	60	17,236	14,328	13,826	13,673
Air Force	135	12,237	9,450	9,215	9,433
Department of Defense—Civil Functions:					
Canal Zone Government	4	820	736	728	690
United States Soldiers' Home	1	457	375	393	400
Department of Justice: Bureau of Prisons	28	2,067	1,182	1,190	1,210
Total	565	194,693	168,216	166,385	166,746

The extent of the total hospital care in this country being provided by the Federal Government can best be illustrated by the fact that for the calendar year 1957, 1 of every 15 hospitals was federally operated and 1 of every 8 patients was cared for in Federal facilities.

Outpatient medical and dental care in Federal facilities.—To provide outpatient care for their beneficiaries, Federal agencies operate dispensaries, offices, and medical and dental clinics in addition to the hospitals listed above. The total medical and dental outpatient care in all Federal facilities is as follows:

Total treatments and examinations

Agency	1958 actual	1959 estimate	1960 estimate
Veterans Administration	1,577,977	1,586,060	1,595,000
Department of Health, Education, and Welfare:			
Public Health Service:			
Division of Hospitals	1,146,340	1,119,000	1,119,000
Division of Indian Health	574,235	606,000	640,000
Freedmen's Hospital	95,213	95,000	95,000
Department of Defense—Military Functions:			
Army	28,141,000	25,164,000	26,174,000
Navy	19,662,000	19,228,000	19,154,000
Air Force	20,828,000	19,160,000	19,169,000
Department of Defense—Civil Functions:			
Canal Zone Government	273,000	271,000	271,000
Department of Justice: Bureau of Prisons	785,574	801,520	839,000
Total	73,083,339	68,030,580	69,056,000

Contractual care in non-Federal facilities.—Contract care in community hospitals and by private physicians and dentists on a fee basis is utilized to supplement inpatient and outpatient care furnished in Federal facilities. For example, when operation of Federal hospitals or clinics is uneconomical because of the small number of legal bene-

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Special Analysis J—Continued

FEDERAL HOSPITAL AND MEDICAL CARE PROGRAMS—Continued

ficiaries in a particular area, or where appropriate facilities are not available to meet specific requirements, contractual arrangements are made to insure adequate discharge of Federal responsibilities. The following table summarizes the extent of this contractual care program.

Sponsoring agency	Inpatient average daily patient load			Outpatient treatments and examinations		
	1958 actual	1959 estimate	1960 estimate	1958 actual	1959 estimate	1960 estimate
Veterans Administration	1,716	1,808	1,829	583,835	577,386	588,200
Department of Health, Education, and Welfare:						
Public Health Service: Division of Hospitals	154	150	146	1,000	1,000	1,000
Division of Indian Health	1,000	986	989	129,000	159,000	159,000
Department of Defense—Military Functions:						
Army	1,625	1,416	1,111			
Navy	1,651	1,462	1,463	41,447	40,000	33,446
Air Force	2,182	2,198	2,004			
Total	8,328	8,020	7,542	755,282	777,386	781,646

Capital improvement of Federal facilities.—The Federal agencies have continuing programs for the improvement of the physical facilities in which the care is rendered, including new construction, replacements, major rehabilitations and modernizations, major alterations, improvements, and repairs. In 1960 it is estimated that $102 million will be obligated for construction or planning of new hospitals and related facilities, replacement of existing hospitals, and modernization projects.

Gross obligations for hospital and medical care.—To provide the required hospital and medical care for legal beneficiaries, either in Federal hospitals and clinics or through contractual arrangements, and to provide and maintain modern, efficient medical facilities, the Federal Government is incurring annually approximately $1.8 billion in gross obligations as reflected in the following data.

Gross obligations

[In millions]

Purpose	1958 actual	1959 estimate	1960 estimate
Hospital and medical care in Federal facilities:			
Department of Defense—Military Functions	$579.6	$610.9	$594.8
Department of Defense—Civil Functions	10.1	11.2	11.6
Department of Health, Education, and Welfare	103.9	108.8	112.9
Veterans Administration	805.6	843.2	865.5
Department of Justice	1.7	1.9	2.1
Hospital and medical care in non-Federal facilities:			
Department of Defense—Military Functions	91.4	94.3	90.3
Department of Health, Education, and Welfare	10.0	10.2	10.3
Department of Labor	5.7	6.2	6.5
Veterans Administration	17.1	16.8	18.2
Capital improvement of Federal medical facilities:			
Department of Defense—Military Functions	27.0	33.3	41.1
Department of Defense—Civil Functions	1.8	.9	6.2
Department of Health, Education, and Welfare	6.2	17.3	5.3
Veterans Administration	64.0	74.3	50.1
Total	1,724.1	1,829.3	1,814.9

HOSPITAL AND MEDICAL CARE PROGRAMS BY AGENCY

Coverage.—The material presented to this point represents a broad summary of the scope, functions, and gross obligations of the Federal hospital and medical care programs. This section of the special analysis is designed to provide an understanding of the diversity of beneficiaries, responsibilities, and means used to provide required care by the individual departments and agencies.

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

The Department of Defense was responsible in 1958 for the complete medical and dental care of approximately 2.7 million active duty military personnel and for limited care of approximately 3.3 million dependents and 207,000 retired personnel.

To provide care for these beneficiaries, the military services of the Department operated 287 hospitals in 1958, of which 195 were in the United States and 92 were overseas. In these hospitals, an average of more than 58,000 outpatient treatments each day were provided in 1958 and the number of patients per day averaged 36,965, including 1,007 tuberculosis and 2,031 neuropsychiatric patients. The following table shows the average number of each of the categories of patients in hospitals of each of the military services in 1958.

Average number of patients by type of beneficiary, fiscal year 1958

	Army hospitals	Navy hospitals	Air Force hospitals	Total
Active duty personnel:				
Army	8,592	574	307	9,473
Navy	480	8,942	113	9,535
Air Force	831	501	5,612	6,944
Other uniformed services	14	31	4	49
Dependents	3,387	1,589	2,618	7,594
Retired personnel	428	669	167	1,264
Other	1,312	592	202	2,106
Total	15,044	12,898	9,023	36,965

The Armed Forces also operate medical and dental clinics which play a major role in maintaining the health of the Armed Forces personnel and their dependents. In 1958 the workload in these facilities, including that on board ships, amounted to 47,448,000 medical and dental outpatient treatments or examinations and a daily average of 1,857 patients.

The operation of medical facilities by the Department of Defense is financed principally by appropriations to each of the military services for medical care and pay of military personnel and by payments made by patients or other Federal agencies for care given their beneficiaries. It is estimated obligations related to the operation of medical facilities by the Department of Defense amounted to $579.6 million in 1958.

Medical care in non-Federal facilities is primarily related to care authorized by the Dependents' Medical Care Act, Public Law 569, 84th Congress. This law, which became effective December 7, 1956, authorizes medical care at Government expense by private physicians in community hospitals for wives, children, and dependent husbands of personnel serving on active duty in the Army, Navy,

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SPECIAL ANALYSIS J—Continued

FEDERAL HOSPITAL AND MEDICAL CARE PROGRAMS—Continued

Marine Corps, Air Force, Coast Guard, Public Health Service, and Coast and Geodetic Survey. Restrictions in the utilization of civilian facilities have been effected by regulations to insure optimum utilization of hospitals operated by the military services. The law has made possible hospital care at Government expense for those dependents residing so far from military medical facilities that they are unable to utilize such facilities. The number of dependents receiving care in non-Federal hospitals and the obligations in 1958 and estimated program for 1959 and 1960 are shown in the following table:

	1958 actual	1959 estimate	1960 estimate
Army:			
Average daily patient load	1,599	1,390	1,085
Obligations (millions)	$24.2	$24.0	$19.9
Navy:			
Average daily patient load	1,608	1,421	1,421
Obligations (millions)	$28.5	$27.9	$29.0
Air Force:			
Average daily patient load	2,174	2,190	1,995
Obligations (millions)	$35.6	$40.0	$38.3
Total:			
Average daily patient load	5,381	5,001	4,501
Obligations (millions)	$88.3	$91.9	$87.2

In addition to the above, approximately $3 million per year is obligated for emergency care of military personnel in non-Federal hospitals.

Construction of hospital and medical facilities.—The military construction programs each year include projects which are either replacements of inadequate hospitals, dispensaries, and dental clinics or are new facilities to serve bases being activated. Since the beginning of 1952, the construction of 65 hospitals, most of them replacements for obsolete and temporary facilities, has been authorized.

DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

United States Soldiers' Home.—The Home, established by Congress in 1851, is a 1,445-bed domiciliary home and a 488-bed hospital located in Washington, D. C., for retired or disabled regular Army and Air Force enlisted men. It provides room, board, medical, and recreational services for members. The total number of members averaged 1,739 in fiscal year 1958, of who 375 were patients in the hospital.

Gross obligations to operate the Home are derived from a trust fund from which Congress makes annual appropriations. Income for the fund is obtained primarily from withheld pay of Army and Air Force personnel, court-martial fines, estates of deceased soldiers and airmen, and interest paid on the trust fund balance. In 1958, $1.6 million, $8.5 million, $0.5 million, and $2.5 million, respectively, accrued from these sources for a total income of $13.1 million.

Phase I of a master plan for the modernization and expansion of the Home began in 1959 with the construction of a new service area including shops, warehouse, and garage. Phase II will begin in 1960 with the construction of a new 512-bed domiciliary building and the addition of a 70-bed wing on the hospital.

Canal Zone Government.—The Canal Zone Government health services are furnished through hospitals, clinics, aid stations, and dispensaries. The health services are provided primarily in two community-type general hospitals. In addition, the Canal Zone Government operates a neuropsychiatric hospital and a leprosarium.

These hospitals provide medical care for approximately 83,000 persons, of whom 19,000 are active duty military personnel and their dependents and 64,000 are the civilian population of the Canal Zone and employees of the United States Government and their dependents residing in the Republic of Panama.

The number of inpatients in these facilities averaged 736 in 1958 and is estimated to decrease slightly to 728 and 690 in 1959 and 1960, respectively. Outpatient visits averaged 748 each day in fiscal year 1958.

Funds are provided for the operation of Canal Zone hospitals and clinics by appropriation from Congress, but the entire cost thereof is collected either from patients, the Republic of Panama, other Federal agencies, or from the Panama Canal Company. Approximately 45% of the cost of operation of these hospitals is paid by the Panama Canal Company.

VETERANS ADMINISTRATION

The 3 appropriations which finance the direct operations of the Veterans Administration's hospital and medical program will provide funds in 1960 for the operation of 168 hospitals (including 6 having a separate annex at a nearby location), 17 domiciliary homes, 14 of which are located at hospitals, and 71 outpatient clinics; care on a contractual basis for eligible beneficiaries in other hospitals; and central and area office administration, medical research, education and training, and prosthetic research and development. Of the hospitals, 39 are neuropsychiatric, 18 tuberculosis, and 111 general medical and surgical.

Program	1958 actual	1959 estimate	1960 estimate
Average daily patient and member loads:			
Veterans Administration hospitals:			
Neuropsychiatric patients	61,250	61,049	61,498
Tuberculosis patients	11,394	10,414	9,450
General medical and surgical patients	38,955	39,600	40,348
Veterans Administration domiciliary homes	16,673	16,810	16,812
Care in non-Federal hospitals	1,716	1,808	1,829
Total patients and home members	129,988	129,681	129,937
Number of individuals visiting outpatient clinics:			
Veterans Administration clinics	1,577,977	1,586,060	1,595,000
Fee basis physicians and dentists	583,835	577,386	588,200
Operating costs (in millions)	$822.7	$859.9	$883.7

Almost two-thirds of all the patients in Veterans Administration hospitals are receiving care and treatment for conditions not related to their military service, ranging from 90% of the general medical and surgical patients to 75% of the tuberculosis patients and 45% of the psychiatric patients. Similarly 80% of the members in Veterans Administration domiciliary homes are non-service-connected. Under existing law such veterans who state under oath that they are unable to defray the costs of care and treatment for such diseases and disabilities are eligible for

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SPECIAL ANALYSIS J—Continued

FEDERAL HOSPITAL AND MEDICAL CARE PROGRAMS—Continued

hospitalization in Veterans Administration facilities to the extent that beds are available. Care under the outpatient program is limited to service incurred conditions except for Spanish American War veterans.

Recent studies indicated that, as of June 1957, 59% of all hospitalized veterans and 48% of those hospitalized for non-service-connected conditions in the entire country were receiving their care under Veterans Administration auspices.

Veterans hospitalized by type of patient and service-connected status as of June 1957

Type of patient	All hospitalized veterans			Non-service-connected patients		
	Total	Under Veterans Administration auspices		Total	Under Veterans Administration auspices	
		Number	Percent of total		Number	Percent of total non-service-connected patients
Tuberculosis	18,200	12,200	67	15,100	9,100	60
Psychiatric	84,900	57,300	68	53,600	26,000	49
General medical, surgical, and neurological	84,700	40,700	48	80,100	36,100	45
Total	187,800	110,200	59	148,800	71,200	48

Hospitalization of Veterans Administration beneficiaries in other Federal hospitals and in non-Federal hospitals in the Territories and possessions of the United States is provided for either service-connected or non-service-connected conditions to insure coverage in areas where there is a shortage of Veterans Administration facilities. Hospitalization in non-Federal hospitals in the continental United States is provided when suitable facilities are not feasibly available in Veterans Administration hospitals and is restricted to male veterans requiring hospitalization for service-connected conditions, female veterans in need of hospitalization for treatment of either service or non-service-connected conditions, and those veterans requiring hospitalization to prevent interruption of their vocational rehabilitation training.

For fiscal year 1960 a construction program is recommended with new obligational authority of $20,159,000. This will provide $3,000,000 for the full cost of construction of a large number of minor projects (costing less than $300,000 each), $1,980,000 for planning the construction of $22,000,000 worth of larger modernization projects, $14,379,000 for construction of projects planned in 1959, and $800,000 for plans for the construction of a 400-bed hospital building at the Veterans Administration hospital at Oteen, N. C.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Public Health Service, Division of Hospitals.—The activities of the Division of Hospitals include the operation of hospitals, outpatient clinics, Coast Guard medical care aboard ship and at shore stations, and care in non-Federal facilities including beneficiaries under the Dependents' Medical Care Act.

The division operates 16 hospitals including 12 general, 1 tuberculosis, and 2 narcotic hospitals plus the National Leprosarium. An average of 154 patients were treated in non-Federal facilities in 1958, and it is estimated that 150 and 146 will be treated in 1959 and 1960 respectively. Included in the average load in non-Federal facilities for the 3-year period are 99, 95, and 91 patients respectively under the Dependents' Medical Care Act. The outpatient facilities include 26 clinics and 99 offices. They provided care for 559,000 outpatients in 1958, and it is estimated that the number for 1959 and 1960 will be 544,000 for each year.

Gross obligations for medical care amounted to $43.5 million in 1958, and it is estimated that $45.6 million will be obligated in 1959 and $46.7 million in 1960. Included in these total obligations for the 3-year period are $1.8 million, $1.7 million, and $1.8 million, respectively, for the care of beneficiaries under the Dependents' Medical Care Act in non-Federal facilities.

Average daily patient load

	1958 actual	1959 estimate	1960 estimate
By type of hospital:			
General	2,743	2,710	2,724
Mental (including narcotic)	1,960	2,000	2,000
Tuberculosis	283	275	260
Leprosarium	296	295	290
Total	5,282	5,280	5,274
By type of beneficiary:			
American merchant seamen	2,228	2,200	2,200
Narcotic addicts	1,361	1,385	1,385
Patients with leprosy	298	295	290
Coast Guard personnel	316	319	319
Bureau of employees compensation	262	262	262
Veterans	249	250	250
Dependents of uniformed services	163	199	199
All other	405	370	369
Total	5,282	5,280	5,274

Public Health Service, Division of Indian Health.—The Division of Indian Health provides health services to 385,000 Indians and natives of Alaska through the operation of 52 general hospitals and 4 tuberculosis sanatoria, outpatient clinics associated with the 56 hospitals and 213 other medical facilities such as health centers and health stations. Medical care is also provided by contractual arrangements with community hospitals and private physicians. In addition, many services designed to improve health standards of the Indians are provided including public health nursing, school health, dental care, improved sanitation and water supply, and health education.

The following table shows the actual inpatient and outpatient workloads for 1958 and those estimated for 1959 and 1960:

	1958 actual	1959 estimate	1960 estimate
Indian hospitals:			
Average daily patient load	2,573	2,555	2,600
Outpatient visits	574,235	606,000	640,000
By contractual arrangements with non-Federal facilities:			
Average daily patient load	1,000	986	989
Outpatient visits	129,000	159,000	159,000

Total obligations for medical care services, excluding construction of facilities, were $40.6 million in 1958 and are estimated to total $41.8 million and $43.4 million in 1959 and 1960, respectively.

The Indian health construction program embraces construction of new hospitals, health centers, and clinics; complete modernization and extensive major renovation of existing permanent facilities; and housing for personnel.

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SPECIAL ANALYSIS J—Continued

FEDERAL HOSPITAL AND MEDICAL CARE PROGRAMS—Continued

Since the transfer of responsibilities from the Department of Interior on July 1, 1955, funds have been appropriated for 5 new hospitals, modernization of 4 other hospitals, and for numerous clinics, housing units, and other smaller projects.

Public Law 151, 85th Congress, provides for assistance in building community hospitals in lieu of constructing separate Federal facilities for Indians. Including this assistance for community hospitals, obligations for construction of Indian health facilities are estimated to be $4.7 million in 1960, as compared to an estimate of $12.5 million in 1959, and actual obligations of $4.5 million in 1958.

Public Health Service, Clinical Center.—The 500-bed facility of the National Institutes of Health with related clinical research laboratories is an integral part of the medical research program and provides medical care to patients, the treatment of whom is integrated with specific research projects conducted by the seven institutes. Only those patients having illnesses which afford material suitable to specific clinical investigations being conducted are admitted to the hospital.

The center is financed from appropriations of the seven institutes and the General research and services appropriation. Total obligations amounted to $9.2 million in 1958 and are estimated at $10.1 million and $10.2 million for 1959 and 1960. The obligations for direct care only included in the above for the 3-year period are $6.5 million, $7.1 million and $7.1 million.

Saint Elizabeths Hospital.—Saint Elizabeths Hospital, originally established in 1855, is a 7,400-bed mental hospital located in Washington, D. C., which provided care for an average of 6,965 patients in 1958. Of these, 74% were residents of the District of Columbia; the remainder were various groups of Federal beneficiaries.

Average daily patient load

Category of patients	1958 actual	1959 estimate	1960 estimate
District of Columbia residents	5,132	5,095	5,040
Federal and District of Columbia prisoners	529	580	619
Veterans	354	350	350
Uniformed service personnel	338	320	298
District of Columbia nonresidents	218	218	218
Virgin Islanders	140	145	148
Other Federal patients	254	247	247
Total	6,965	6,955	6,920

Funds for the operation of the hospital in fiscal year 1960 are to be obtained from (*a*) direct appropriation for Federal beneficiaries, $3,715,000; (*b*) reimbursements from Federal agencies, $1,217,000; (*c*) reimbursements from the District of Columbia Government, $13,226,000; and (*d*) other income, $72,000.

A long-range program was developed by the General Services Administration in 1945 for replacing the old and obsolete buildings at the hospital. Three buildings have been completed, a fourth is under construction, and planning is underway for a new cafeteria and treatment building. The District of Columbia Government is required to contribute a share of the construction costs of these buildings over a 40-year period proportional to the number of patients who are District of Columbia residents.

Freedmen's Hospital.—Freedmen's Hospital, consisting of 320 general and 150 tuberculosis beds and an outpatient department, has traditionally been affiliated with the Howard University College of Medicine as a teaching hospital and has served as a community hospital for the Negro population in the Washington, D. C., metropolitan area. It is the only Federal hospital operating a school of nursing education. The inpatient and outpatient loads have remained fairly steady for the last 3 years:

	1958 actual	1959 estimate	1960 estimate
General hospital	268	266	259
Tuberculosis annex	56	56	47
Total	324	322	306
Outpatient visits	95,213	95,000	95,000

Operation of the hospital is to be financed in 1960 by (*a*) direct Federal appropriation to support the training program and care of indigent patients, $3,190,000; (*b*) income from private patients, $1,061,750; (*c*) reimbursement from the District of Columbia Government for certified indigent patients, $450,000; and (*d*) reimbursement from surrounding county governments for indigent patients, $18,250.

Legislation has been sponsored by the Department of Health, Education, and Welfare to transfer Freedmen's Hospital from the Department to Howard University. It would also authorize modernization and construction to provide a modern 500-bed hospital as well as Federal grants for operation over a period of years, on a decreasing basis, to aid the hospital to become self-sufficient.

DEPARTMENT OF LABOR

Bureau of Employees Compensation.—Federal employees injured in the course of their employment receive medical care either in Federal hospitals or through use of community hospitals and private physicians. Care furnished through hospitals and clinics of the Public Health Service are financed directly by that agency while the Bureau of Employees Compensation assumes financial responsibility for care provided in other Federal hospitals and through local community resources. Total obligations incurred by the Department of Labor for care through community resources in 1958 were $5.7 million and are estimated to be $6.2 and $6.5 million in 1959 and 1960, respectively.

DEPARTMENT OF JUSTICE

Bureau of Prisons.—Medical services are furnished to the Federal prison system by the Department of Health, Education, and Welfare, through the Public Health Service, under the act of May 13, 1930. Twenty-eight hospitals and infirmaries, which provide both inpatient and outpatient services, were operated in Federal penal institutions in 1958. Acute disorders are usually cared for in prison hospitals, but inmates with chronic illnesses are transferred to the 1,000-bed Medical Center at Springfield, Mo.

The normal bed capacity of the system in 1958 was 2,067 and is expected to increase to 2,101 by 1960. The average daily patient load was 1,182 in 1958 and is estimated to increase to 1,190 and 1,210 in 1959 and 1960, respectively. Total outpatient treatments and examinations for each fiscal year are 785,574, 801,520, and 839,000.

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SPECIAL ANALYSIS J—Continued

FEDERAL HOSPITAL AND MEDICAL CARE PROGRAMS—Continued

Included in these figures is the Springfield Medical Center which had an average daily patient load of 822 in 1958, of which 457 were mental patients.

Obligations for medical care of the inmates of Federal penal institutions were $1.7 million in 1958 and are estimated at $1.9 million and $2.1 million for 1959 and 1960, respectively.

FEDERAL GRANTS FOR HOSPITAL, MEDICAL, AND DOMICILIARY CARE, AND HOSPITAL CONSTRUCTION

In addition to the operation of its own medical and hospital facilities and contracting for care of its beneficiaries in non-Federal facilities, the Federal Government makes grants-in-aid to assist States and localities in meeting their community hospital and domiciliary needs.

VETERANS ADMINISTRATION

State veterans' homes.—Domiciliary care is provided by 28 States in 33 State homes for veterans. The Veterans Administration assists financially these State homes in caring for veterans who would be eligible for care in Veterans Administration facilities by making grants of $700 per year per veteran, or one-half the per capita cost of maintenance, whichever is less. The Veterans Administration contribution to maintenance and operation of the State homes was $5,971,341 in 1958 with estimates of $6,158,000 and $6,480,000 in 1959 and 1960, respectively. The number of beneficiaries for whom care will be provided in 1960 is 9,600 as compared with 9,318 in 1958 and 9,500 in 1959.

Grants to the Republic of the Philippines.—Grants to the Republic of the Philippines are made, in accordance with the act of July 1, 1948, as amended, for the medical care and treatment of certain veterans in the Philippines. Grants totaled $1,590,000 in 1958, $1,250,000 in 1959, and $2,000,000 in 1960, the latter estimate based on the revised program enacted by Congress in Public Law 85–461.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Payments to Hawaii.—Grants are made to the Territory of Hawaii to defray the cost of care and treatment of persons afflicted with leprosy. The Territory is reimbursed to the extent of cost of the program up to the amount appropriated annually by Congress. Actual obligations were $1 million in 1958 with the same amount estimated for 1959 and 1960.

Hospital and medical facilities survey and construction program.—The purpose of the hospital and medical facilities survey and construction program is to assist, through the States, in providing adequate community hospital and other diagnostic and treatment services to the people of the Nation. This is accomplished in two steps; namely, the development of a basic plan for meeting the hospital and other medical facility needs of each State, and the construction of such facilities in the order of priority of need within each State.

The Public Health Service assisted the States in making the initial surveys of need for hospitals and related facilities and development of plans to meet these needs by contributing from one-third to one-half of the cost incurred by the States. The States bear the full cost of keeping the plans up to date. Financial assistance is also provided States and Territories, local governments, and nonprofit agencies to defray from one-third to two-thirds of the costs of construction of hospitals, rehabilitation facilities, diagnostic and treatment centers, nursing homes, public health centers, and related health facilities on the basis of population and economic need.

Appropriations are made to enable the Surgeon General to conduct research, experiments, and demonstrations relating to the effective development and utilization of community 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 research projects.

The appropriation estimate for hospital and medical facilities construction and for research activities for 1960 is $101.2 million, of which $79 million is for hospitals and public health centers; $4 million for nursing homes; $6.5 million for diagnostic or treatment centers; $4 million for rehabilitation centers; $6.5 million for chronic disease hospitals; and $1.2 million for research.

As of June 30, 1958, approximately one billion dollars in Federal funds had been committed to construct 3,972 projects in the States and Territories. This, in turn, has been matched by over $2.2 billion of State and local funds. Approximately 2,600 of the projects to which funds have been allotted have been completed and are serving their respective communities. Nearly 1,200 projects are under construction and the remainder are in the preconstruction stage. Completion of all of these projects will add or replace 170,094 hospital and nursing home beds and 1,069 new public health centers, and will result in the construction, expansion, or remodeling of 196 diagnostic or treatment centers and 82 rehabilitation facilities.

Grants to the States and Territories under the hospital survey and construction program resulted in Federal obligations for 1958 of $131.5 million, and are expected to reach $166.8 million in 1959 and $135.2 million in 1960.

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SPECIAL ANALYSIS J—Continued

FEDERAL HOSPITAL AND MEDICAL CARE PROGRAMS—Continued

Gross obligations[1] for Federal hospital and medical care programs

[In thousands]

Purpose and agency	1958 actual	1959 estimate	1960 estimate
HOSPITAL AND MEDICAL CARE IN FEDERAL FACILITIES			
Veterans Administration	$805,602	$843,166	$865,499
Department of Defense—Military Functions:			
Army	236,600	240,500	229,502
Navy	194,400	201,929	199,000
Air Force	148,600	168,445	166,300
Department of Defense—Civil Functions:			
Canal Zone Government	5,446	6,205	6,398
United States Soldiers' Home	4,644	5,019	5,202
Department of Health, Education, and Welfare:			
Public Health Service:			
Division of Hospitals	41,063	43,217	44,244
Division of Indian Health	33,089	33,970	35,492
Freedmen's Hospital	4,346	4,570	4,720
Clinical Center, National Institutes of Health	9,203	10,127	10,157
Saint Elizabeths Hospital	16,161	16,927	18,230
Department of Justice: Bureau of Prisons	1,748	1,906	2,071
Total, hospital and medical care in Federal facilities	1,500,902	1,575,981	1,586,815
HOSPITAL AND MEDICAL CARE IN NON-FEDERAL FACILITIES			
Veterans Administration	17,125	16,752	18,221
Department of Defense—Military Functions:			
Army	25,100	24,900	20,800
Navy	29,600	29,000	29,800
Air Force	36,700	40,400	39,700
Department of Health, Education, and Welfare:			
Public Health Service:			
Division of Hospitals	2,432	2,347	2,483
Division of Indian Health	7,532	7,851	7,858
Department of Labor	5,700	6,200	6,500
Total, hospital and medical care in non-Federal facilities	124,189	127,450	125,362
CONSTRUCTION OF FEDERAL HOSPITALS AND RELATED FACILITIES, INCLUDING ALTERATIONS			
Veterans Administration	$63,968	$74,281	$50,114
Department of Defense—Military Functions:			
Army	13,600	8,000	5,400
Navy	4,200	1,600	12,700
Air Force	9,200	23,700	23,000
Department of Defense—Civil Functions:			
Canal Zone Government		455	500
United States Soldiers' Home	1,818	447	5,693
Department of Health, Education, and Welfare:			
Public Health Service:			
Division of Hospitals	792	1,870	87
Division of Indian Health	4,529	12,485	4,725
Clinical Center, National Institutes of Health	325	2,000	77
Saint Elizabeths Hospital	573	924	449
Total, Federal construction of hospitals and related facilities, including alterations	99,005	125,762	102,745
FEDERAL GRANTS FOR HOSPITAL, MEDICAL, AND DOMICILIARY CARE, AND HOSPITAL CONSTRUCTION			
Veterans Administration:			
For State veterans' homes	5,971	6,158	6,480
To the Republic of the Philippines	1,590	1,250	2,000
Department of Health, Education, and Welfare:			
To Territory of Hawaii	1,000	1,000	1,000
Hospital and medical facilities survey and construction grants	131,512	166,750	135,204
Total, grants for hospital, medical, and domiciliary care, and hospital construction	140,073	175,158	144,684
Total, all functions	1,864,169	2,004,351	1,959,606

[1] Gross obligations include those payable from all sources—General appropriations trust funds, and collections from patients and other non-Federal sources.

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Special Analysis K

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

BY AGENCY AND ACCOUNT TITLE

[In thousands]

Description	1958 actual	1959 estimate	1960 estimate
PUBLIC ENTERPRISE FUNDS			
Investments in Government securities:			
Independent offices:			
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund	$19,160	$18,650	$47,000
Veterans Administration: Veterans' special-term insurance fund	14,185	11,233	7,000
Housing and Home Finance Agency:			
Office of the Administrator: Revolving fund (liquidating programs)	[a] 17		
Federal National Mortgage Association:			
Management and liquidating functions fund (debentures issued and redeemed by Federal Housing Administration, net)	6,051	18,000	[a] 10,000
Special assistance functions fund (debentures issued by Federal Housing Administration, net)	8		
Federal Housing Administration fund	51,243	71,900	102,240
Total investments in Government securities	90,630	119,783	146,240
Issuance (−) and redemption (+) of debt to the public:			
Independent offices:			
Farm Credit Administration: Federal Farm Mortgage Corporation fund	+25	+25	+25
Federal Home Loan Bank Board: Home Owners' Loan Corporation fund	+24	+25	+25
Tennessee Valley Authority: Proposed legislation		−40,000	−80,000
Housing and Home Finance Agency:			
Federal Housing Administration fund [1]	+5,869	−3,625	+9,062
Management and liquidating functions fund	−233,411	+6,441	
Total issuance (−) and redemption (+) of debt to the public	−227,493	−37,134	−70,888
Net increase (−) or decrease (+) in cash balances due to debt and investment transactions of public enterprise funds	−136,863	+82,649	+75,352
TRUST FUNDS			
Investments in Government securities:			
Legislative branch: Library of Congress trust fund principal accounts	[a] $120		[a] $16
The Judiciary: Judicial survivors annuity fund	240	$200	170
Independent offices:			
Civil Service Commission:			
Civil service retirement and disability fund	669,206	864,607	732,565
Employees' life insurance fund	35,600	55,090	41,000
Farm Credit Administration: Operating fund, Federal intermediate credit banks	190	415	
National Capital Housing Authority: Operation and maintenance, etc.		751	[a] 560
Railroad Retirement Board: Railroad retirement account	[a] 33,105	230,047	147,000
Veterans Administration:			
General post fund	[a] 926	[a] 734	
National service life insurance fund	95,009	80,031	85,150
United States Government life insurance fund	[a] 56,311	[a] 18,700	[a] 22,800
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)	22		
Department of Agriculture: Farmers' Home Administration: State rural rehabilitation funds	5	4	5
Department of Commerce:			
Bureau of Public Roads: Highway trust fund	417,782	[a] 254,226	[a] 153,100
Maritime activities trust fund	163	[a] 587	
Department of Defense—Military Functions: Navy trust funds		7	
Department of Health, Education, and Welfare: Public Health Service trust funds	[a] 5	[a] 5	[a] 5
Department of the Interior:			
Bureau of Indian Affairs trust funds	9		
National Park Service trust funds	1		
Department of Labor: Bureau of Employees' Compensation trust funds		[a] 40	[a] 40
Department of State: Foreign Service retirement and disability fund	1,865	1,936	2,157
Treasury Department:			
Office of the Secretary:			
Federal disability insurance trust fund	729,095	555,461	540,000
Federal old-age and survivors' insurance trust fund	[a] 499,129	[a] 1,004,954	[a] 59,985
Unemployment trust fund	[a] 1,255,065	[a] 1,019,994	[a] 499,957
Bureau of Accounts trust funds	[a] 315	[a] 96	[a] 3,140
District of Columbia:			
Miscellaneous trust fund deposits	10	21	
Redevelopment program, Redevelopment Land Agency	[a] 11,307	983	
Teachers' retirement and annuity fund	1,735	1,700	1,700
Welfare funds, Department of Corrections	15		
Investment accounts	9,947		
Total investments or redemptions in Government securities	104,605	[a] 508,083	810,204

[a] Deduct, excess of sales and redemptions over investments.

[1] Includes net issuances of debentures to Federal National Mortgage Association of $6,059 thousand in 1958 and an estimated $18,000 thousand in 1959; and net redemptions of $10,000 thousand in 1960.

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SPECIAL ANALYSIS K—Continued

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS—Continued

BY AGENCY AND ACCOUNT TITLE—Continued

[In thousands]

Description	1958 actual	1959 estimate	1960 estimate
TRUST FUNDS—Continued			
Issuance (−) and redemption (+) of debt to the public:			
Independent offices: Farm Credit Administration: Operating fund, Federal intermediate credit banks	−$224,900	+$110,170	
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)	−115,075	−349,815	−$485,000
Total issuance (−) and redemption (+) of debt to the public	−339,975	−239,645	−485,000
Net decrease (+) or increase (−) in cash balances due to trust fund debt and investment transactions	−235,370	−747,728	325,204
CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND			
Legislative branch: Government Printing Office: Government Printing Office revolving fund: Payment of earnings to Treasury	$1,451	$5,392	$3,350
Executive Office of the President: Office of Civil and Defense Mobilization: Civil defense procurement fund: Repayment of principal to Treasury	3,500		
Independent offices:			
Civil Service Commission: Investigations revolving fund: Payment of earnings to Treasury	9	5	
Export-Import Bank of Washington:			
Export-Import Bank of Washington fund: Payment of dividend to Treasury	22,500	22,500	22,500
Liquidation of certain Reconstruction Finance Corporation assets:			
Payment of profits to Treasury	8	2	
Repayment of investment to Treasury	25	1,259	6
Farm Credit Administration: Federal Farm Mortgage Corporation fund:			
Payment of dividend to Treasury	2,900	2,100	1,700
Repayment of capital stock to Treasury	10		
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund:			
Payment of return on capital stock to Treasury	1,093	765	
Repayment of capital stock to Treasury	16,170	24,801	
Small Business Administration: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury		7,000	3,000
Tennessee Valley Authority: Repayment of investment to Treasury:			
Payment on power investment	10,000		
Payment of nonpower proceeds	1,836	1,915	2,097
Veterans Administration:			
Canteen service revolving fund:			
Payment of profits to Treasury	543	251	264
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Working capital fund: Payment of earnings to Treasury	2	10	5
Housing and Home Finance Agency:			
Office of the Administrator:			
Revolving fund (liquidating programs): Repayment of investment to Treasury	40,000	28,000	23,000
Community disposal operations fund: Repayment of investment to Treasury	16,000	18,000	13,000
Federal National Mortgage Association: Special assistance functions fund: Payment of dividend to Treasury	2,445		
Public Housing Administration: Low rent public housing program fund: Payment of property receipts to Treasury	716	536	749
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Bureau of Mines: Development and operation of helium properties: Payment of profits to Treasury	500		
Office of Territories: Loans to private trading enterprises, Trust Territory of the Pacific Islands: Payment of profits to Treasury		40	10
Department of Justice: Federal Prison Industries, Inc.: Payment of dividend to Treasury	2,000	2,750	3,000
Treasury Department: Office of the Secretary: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury	12,125	7,161	4,385
Total, capital transfers from revolving funds to the general fund	143,481	130,649	86,431

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Special Analysis L

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION

FISCAL YEARS 1951 THROUGH 1960

Based on existing and proposed legislation

[In millions]

Description	Actual								Estimate	
	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
BUDGET RECEIPTS										
Individual income taxes	$21,643	$27,913	$30,108	$29,542	$28,747	$32,188	$35,620	$34,724	$36,900	$40,700
Corporation income taxes	14,106	21,225	21,238	21,101	17,861	20,880	21,167	20,074	17,000	21,448
Excise taxes	8,648	8,851	9,868	9,945	9,131	9,929	9,055	8,612	8,467	8,945
Employment taxes [1]	234	256	274	283	579	322	328	333	328	340
Estate and gift taxes	708	818	881	934	924	1,161	1,365	1,393	1,365	1,415
Customs	609	533	596	542	585	682	735	782	840	900
Miscellaneous receipts [2]	1,620	1,794	1,859	2,309	2,562	3,004	2,760	3,200	3,100	3,352
Total, budget receipts	47,568	61,391	64,825	64,655	60,390	68,165	71,029	69,117	68,000	77,100
BUDGET EXPENDITURES										
Major national security:										
061 Military defense	19,764	38,899	43,611	40,336	35,532	35,791	38,439	39,062	40,800	40,945
066 Development and control of atomic energy	897	1,670	1,791	1,895	1,857	1,651	1,990	2,268	2,630	2,745
067 Stockpiling and defense production expansion	793	966	1,008	1,045	944	588	490	625	378	265
068 Military assistance	991	2,442	3,954	3,629	2,292	2,611	2,352	2,187	2,312	1,850
Total, major national security	22,444	43,976	50,363	46,904	40,626	40,641	43,270	44,142	46,120	45,805
International affairs and finance:										
151 Conduct of foreign affairs	190	142	150	130	121	120	157	176	246	216
152 Economic and technical development	3,506	2,584	1,960	1,511	1,960	1,616	1,686	1,909	3,321	1,768
153 Foreign information and exchange activities	40	99	106	91	100	111	133	149	141	144
Total, international affairs and finance	3,736	2,826	2,216	1,732	2,181	1,846	1,976	2,234	3,708	2,129
Veterans' services and benefits:										
101 Veterans' education and training	1,943	1,326	659	546	664	767	774	699	619	490
102 Other veterans' readjustment benefits	163	122	138	158	150	123	126	168	149	115
103 Veterans' compensation and pensions	2,171	2,178	2,420	2,482	2,681	2,798	2,870	3,104	3,257	3,307
104 Veterans' insurance and servicemen's indemnities	50	216	102	100	57	105	47	43	44	49
105 Veterans' hospitals and medical care	745	784	757	782	727	788	801	856	930	946
106 Other veterans' services and administration	270	238	223	188	178	176	175	156	199	181
Total, veterans' services and benefits	5,342	4,863	4,298	4,256	4,457	4,756	4,793	5,026	5,198	5,088
Labor and welfare:										
211 Labor and manpower	254	275	281	277	328	475	400	458	827	425
212 Public assistance	1,187	1,180	1,332	1,439	1,428	1,457	1,558	1,797	1,987	2,022
213 Promotion of public health	306	330	318	290	275	351	469	546	669	678
214 Promotion of education	91	175	290	273	324	279	290	315	436	479
215 Promotion of science, research, libraries, and museums	58	39	34	33	53	56	71	72	133	228
216 Correctional and penal institutions	26	21	27	26	28	31	32	34	41	45
217 Other welfare services and administration	142	148	144	147	137	171	203	225	287	251
Total, labor and welfare	2,065	2,168	2,426	2,485	2,575	2,821	3,022	3,447	4,380	4,129
Agriculture and agricultural resources:										
351 Stabilization of farm prices and farm income	−461	46	2,125	1,689	3,486	3,900	3,430	3,151	5,386	4,490
352 Financing farm ownership and operation	339	272	109	256	236	231	227	239	251	196
353 Financing rural electrification and rural telephones	276	243	239	217	204	217	267	297	325	335
354 Conservation and development of agricultural land and water resources	345	340	320	253	291	305	375	448	514	675
355 Research and other agricultural services	151	144	142	142	173	215	227	255	299	301
Total, agriculture and agricultural resources	650	1,045	2,936	2,557	4,389	4,868	4,526	4,389	6,775	5,996
Natural resources:										
401 Conservation and development of land and water resources	1,068	1,140	1,234	1,056	935	803	925	1,138	1,209	1,242
402 Conservation and development of forest resources	81	95	107	117	118	138	162	174	194	186
403 Conservation and development of mineral resources	36	35	38	37	37	38	62	59	78	78
404 Conservation and development of fish and wildlife	26	30	34	38	43	45	51	60	69	70
405 Recreational use of natural resources	30	33	30	33	35	44	59	69	97	83
409 General resource surveys and administration	26	32	34	35	34	35	38	43	61	51
Total, natural resources	1,267	1,366	1,476	1,315	1,202	1,104	1,296	1,543	1,708	1,710

[1] Includes Railroad Unemployment Insurance Act receipts in 1951 and 1952.

[2] Includes taxes not otherwise classified.

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Special Analysis L—Continued

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued

FISCAL YEARS 1951 THROUGH 1960—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	Actual								Estimate	
	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
BUDGET EXPENDITURES—Continued										
Commerce and housing:										
511 Promotion of water transportation	$281	$420	$455	$370	$349	$420	$365	$392	$463	$488
512 Provision of highways	455	470	572	586	647	783	40	31	36	3
513 Promotion of aviation and space flight	222	237	239	275	253	251	295	404	678	903
514 Postal service	626	740	659	312	356	463	518	674	752	109
515 Community development and facilities	8	15	45	37	56	4	49	78	119	145
516 Public housing programs	124	148	29	−401	−115	31	60	51	93	93
517 Other aids to housing	469	511	413	−142	270	19	−60	228	1,025	149
518 Other aids to business	−45	−169	−111	−330	−404	−83	59	115	205	213
519 Regulation of commerce and finance	76	190	137	45	38	41	45	49	58	60
520 Civil and defense mobilization	----------	34	53	63	45	58	65	66	60	65
521 Disaster insurance, loans, and relief	----------	28	12	1	12	43	21	21	20	16
Total, commerce and housing	2,217	2,624	2,504	817	1,504	2,030	1,455	2,109	3,509	2,243
General government:										
601 Legislative functions	50	50	49	49	60	77	90	88	104	136
602 Judicial functions	30	30	29	29	31	38	40	44	49	51
603 Executive direction and management	17	13	9	8	10	9	9	10	13	13
604 Federal financial management	413	438	442	449	431	475	476	502	566	563
605 General property and records management	181	232	185	155	164	164	194	239	343	373
606 Central personnel management and employment costs	351	368	387	93	115	334	627	140	215	211
607 Civilian weather services	24	26	28	26	25	34	38	39	49	51
608 Protective services and alien control	126	176	147	160	157	188	187	199	217	219
609 Territories and possessions, and the District of Columbia	22	50	55	53	67	69	74	73	94	98
610 Other general government	112	79	140	213	139	238	51	20	25	19
Total, general government	1,327	1,463	1,472	1,235	1,199	1,627	1,787	1,356	1,673	1,735
Interest:										
651 Interest on the public debt	5,615	5,853	6,504	6,382	6,370	6,787	7,244	7,607	7,500	8,000
652 Interest on refunds of receipts	93	76	75	83	62	54	57	74	92	87
653 Interest on uninvested funds	6	5	5	5	5	6	6	8	9	9
Total, interest	5,714	5,934	6,583	6,470	6,438	6,846	7,308	7,689	7,601	8,096
Allowance for contingencies	----------	----------	----------	----------	----------	----------	----------	----------	200	100
Adjustment to daily Treasury statement basis	−705	−857	----------	----------	----------	----------	----------	----------	----------	----------
Total, budget expenditures	44,058	65,408	74,274	67,772	64,570	66,540	69,433	71,936	80,871	77,030
Budget surplus (+) or deficit (−)	+3,510	−4,017	−9,449	−3,117	−4,180	+1,626	+1,596	−2,819	−12,871	+70
MEMORANDUM										
Capital transfers from revolving funds to the general fund	$208	$268	$265	$364	$695	$391	$225	$143	$131	$86
Investments of revolving funds in U. S. securities	104	101	79	−77	126	101	36	91	120	146

NOTE.—Special analysis C identifies agencies with expenditures currently included in each category; the chapter summary for each agency shows the functional classification for each item.

The following changes have been made in the functional classification from the 1959 budget to the 1960 budget:

1. A new subfunction 061, Military defense, replaces the five former categories 051 through 055. The remaining subfunctions in the major national security category have been renumbered 066, 067, and 068.

2. The "Defense support" portion of the mutual security program has been reclassified from major national security (068) to International affairs and finance (152). Category 068 has been retitled "Military assistance."

3. Category 513 has been retitled "Promotion of aviation and space flight" in recognition of the expanded activities of the new National Aeronautics and Space Administration.

4. The school milk program of the Department of Agriculture has been reclassified from Agriculture and agricultural resources (351) to Labor and welfare (217).

5. Rental payments under the conservation reserve portion of the Agriculture soil bank programs have been reclassified from category 351 to 354.

6. Expenditures of the former Office of Defense Mobilization have been reclassified from General government (603) to Commerce and housing (520), to make prior years comparable with the current classification. Category 520 has been retitled "Civil and defense mobilization."

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